

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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In re:	:	Chapter 11
	:	
WOLFSPEED, INC., <i>et al.</i> ,	:	Case No. 25-90163 (CML)
	:	
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	:	
	X	

**EMERGENCY MOTION OF DEBTORS**  
**(I) AUTHORIZING DEBTORS TO (A) HONOR THEIR**  
**PREPETITION OBLIGATIONS TO CUSTOMERS AND (B) CONTINUE**  
**THEIR CUSTOMER PROGRAMS; AND (II) GRANTING RELATED RELIEF**

Emergency relief has been requested. Relief is requested not later than 2:00 p.m. (prevailing Central Time) on July 1, 2025.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on July 1, 2025 at 2:00 p.m. (prevailing Central Time) in Courtroom 401, 4th floor, 515 Rusk Street, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Lopez's conference room number is 590153. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Lopez's home page. The meeting code is "JudgeLopez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Lopez's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

<sup>1</sup> The Debtors in these cases, together with the last four digits of each Debtor's taxpayer identification number, are: Wolfspeed, Inc. (2719) and Wolfspeed Texas LLC (0339). The Debtors' mailing address is 4600 Silicon Drive, Durham, NC 27703.

Wolfspeed, Inc. and its debtor affiliate in the above-captioned Chapter 11 Cases (as defined herein), as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully state as follows in support of this motion (this “**Motion**”):

### **RELIEF REQUESTED**

1. By this Motion, the Debtors seek entry of an order (the “**Proposed Order**”), substantially in the form attached hereto (i) authorizing, but not directing, the Debtors to (a) fulfill and honor (through payment, credit, setoff, or otherwise) all prepetition obligations related to the Customer Programs (as defined below) as they deem appropriate and (b) continue, enforce, renew, replace, terminate, and implement new Customer Programs, including associated Distribution Agreements (as defined below), and any other customer practices as they deem appropriate, without further application to the Court, and (ii) granting related relief. For the avoidance of doubt, nothing herein shall impair the Debtors’ rights to dispute the validity of any obligation that arises from a Customer Program.

### **JURISDICTION AND VENUE**

2. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction to consider this Motion under 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested herein are sections 105(a), 363(b), 503(b)(9), and 1107(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”), and the Procedures for Complex Cases in the Southern District of Texas.

### **BACKGROUND**

4. On the date hereof (the “**Petition Date**”), the Debtors each commenced with the Court a voluntary case (the “**Chapter 11 Cases**”) under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their business and manage their properties as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in the Chapter 11 Cases.

5. Contemporaneously with the filing of the Motion, the Debtors filed a motion requesting joint administration of the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b) and Bankruptcy Local Rule 1015-1.

6. The factual background regarding the Debtors, including their business, their capital structure, and the events leading to the commencement of the Chapter 11 Cases is set forth in the *Declaration of Daniel Hugo in Support of Chapter 11 Petitions and First Day Relief* (the “**First Day Declaration**”), filed contemporaneously herewith and incorporated herein by reference.<sup>2</sup>

7. The Debtors, together with their non-debtor affiliates (collectively, the “**Company**”), are a leading producer of wide bandgap semiconductors, silicon carbide (“**SiC**”) materials, and gallium nitride (“**GaN**”) materials. The Company’s products are used in a broad range of applications, including electric vehicles, motor drives, power supplies, military communications, radar, satellite, and telecommunications. Established in 1987, the Company’s headquarters are located in Durham, North Carolina and the majority of the Company’s products are manufactured at the Company’s production facilities in North Carolina, New York, and Arkansas.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meaning assigned to them in the First Day Declaration.

8. On June 22, 2025, the Debtors entered into that certain Restructuring Support Agreement (as may be amended from time to time and including all exhibits thereto, the “***Restructuring Support Agreement***”) with (i) an ad hoc group of secured noteholders (the “***Ad Hoc Senior Secured Noteholder Group***”) that collectively hold, own, or control more than 97% of the aggregate outstanding principal amount of the Senior Secured Notes, (ii) an ad hoc group of unsecured noteholders (the “***Ad Hoc 26s/28s/29s Noteholder Group***”) that collectively hold, own, or control more than 67% of the aggregate outstanding principal amount of the Convertible Notes, and (iii) Renesas Electronics America Inc. (“***Renesas***” and, together with the Ad Hoc Senior Secured Noteholder Group and the Ad Hoc 26s/28s/29s Noteholder Group, the “***Consenting Creditors***”) which holds, owns, or controls 100% of the outstanding principal amount of loans under the Customer Refundable Deposit Agreement. Under the Restructuring Support Agreement, each of the Consenting Creditors has agreed to support the Company’s restructuring pursuant to the *Joint Prepackaged Chapter 11 Plan of Reorganization of Wolfspeed, Inc. and its Debtor Affiliate* (as may be modified, amended, or supplemented and including all exhibits, schedules, or supplements thereto, the “***Plan***”) filed contemporaneously herewith.

#### **DEBTORS’ CUSTOMER PROGRAMS**

9. Before the Petition Date and in the ordinary course of their businesses, the Debtors entered into certain supply contracts and established various programs with certain customers (the “***Customer Programs***”). These programs include, but are not limited to, the Ship & Debit Program, the Price Protection Program, the Stock Rotation Program, the Customer Reserve Deposit Program, and the Other Programs (each as defined below). The Customer Programs may encompass other similar initiatives or arrangements that the Debtors have implemented to manage customer relationships and transactions effectively. As further described below, the Debtors have

approximately \$12,413,000 in unpaid prepetition monetary obligations with respect to their Customer Programs.

10. As stated herein and in the First Day Declaration, the Debtors create and market SiC and GaN semiconductors for high power applications. The Debtors supply SiC wafers and devices and GaN semiconductors, and provide related materials, equipment, and services directly to their customers or to distributors that then sell the Debtors' products to their own customer base. The Debtors' goodwill and ongoing business relationships may erode if their customers perceive that the Debtors are unable or unwilling to fulfill the prepetition commitments they have made through the Customer Programs, which would likely lead to material harm. It is essential that the Debtors retain their current customers throughout the Chapter 11 Cases, and continuing the Customer Programs will help to accomplish this goal by ensuring customer satisfaction and generating repeat business.

## **I. CUSTOMER PROGRAMS**

### **A. Ship & Debit Program**

11. The Debtors have established a program with select distributors, which allows those distributors, with pre-approval, to purchase and then sell products to end-customers at a below-market price (the "***Ship & Debit Program***"). Once a sale is made by a distributor to an end-customer for a pre-approved lower amount, the selling distributor can claim the price difference in the form of credits toward future purchases ("***Credit Memos***").<sup>3</sup> The Ship & Debit program is designed to incentivize distributors to engage in resale transactions, thereby fostering distributor

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<sup>3</sup> In some rare situations, if the amount of the discount is large enough, or if the distributor's accounts receivable balance is substantial enough, both determined on a case-by-case basis, the Debtors will issue a cash refund. The Debtors seek to continue this practice on a postpetition basis in the ordinary course of business.

loyalty and expanding the Debtors' market reach. As of the Petition Date, the Debtors estimate that approximately \$12,290,000 is due and owing under the Ship & Debit Program.

#### **B. Price Protection Program**

12. The Debtors offer distributors price adjustments if the prices of certain products the distributors have already purchased decrease subsequent to the purchase (the "***Price Protection Program***"). Following a price decrease, distributors are provided 15 days to submit a claim to the Debtors for the difference between the old and new prices for the products in their inventory. Upon submission of a valid claim, the Debtors then typically issue Credit Memos reflecting the difference.<sup>4</sup> The program is available to all distributors, supporting a broad distribution network. As of the Petition Date, the Debtors estimate that there are no prepetition amounts due and owing under the Price Protection Program.

#### **C. Stock Rotation Program**

13. The Debtors have established a program under which they are contractually obligated to allow select distributors to return limited quantities of slow-moving inventory back to the Debtors on a quarterly basis (the "***Stock Rotation Program***"). Distributors can return inventory that is between three to five quarters old, depending on the contractual agreement the Debtors have with the distributor (the "***Distribution Agreements***"). Subject to the terms of the applicable Distribution Agreement, distributors may "rotate" inventory in an amount equal to a small percentage<sup>5</sup> of prior quarter gross purchases, excluding credits and discounts. The refunds are made available to the distributors in the form of Credit Memos. As of the Petition Date, the

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<sup>4</sup> In some rare situations, if the amount of the discount is large enough, or if the distributor's accounts receivable balance is substantial enough, both determined on a case-by-case basis, the Debtors will issue a cash refund. The Debtors seek to continue this practice on a postpetition basis in the ordinary course of business.

<sup>5</sup> Amount of inventory each distributor may rotate depends on that distributor's individual Distribution Agreement.

Debtors estimate that they owe approximately \$68,000 in prepetition amounts on account of the Stock Rotation Program.

**D. Customer Reserve Deposit Program**

14. The Debtors have established a program with select customers that allows those customers to provide cash in advance in exchange for future allocations of inventory supply at competitive prices (the “*Customer Reserve Deposit Program*”).<sup>6</sup> By placing deposits up to five years in advance, customers can secure their orders and ensure that their demand will be met by reserving future inventory capacity. If the customers purchase the full amount of their agreed-upon future allocation, then the Debtors will return the deposits to the customers. If the customers do not purchase their full agreed-upon future allocation, the Debtors may keep a portion of the deposit. As of the Petition Date, the Debtors estimate that they do not owe any prepetition amounts on account of the Customer Reserve Deposit Program.

**E. Other Programs**

15. In addition to the customer programs described above, the Debtors occasionally establish additional ad-hoc customer programs to address specific business needs and market conditions (the “*Other Programs*”). These programs may include, but are not limited to, initiatives such as scrapping slow-moving products to optimize inventory management, and are designed to enhance operational efficiency and adapt to changing market dynamics. The Debtors remain committed to evaluating and implementing such programs as necessary to support their strategic initiatives. The Other Programs are typically paid for using Credit Memos, and, as of the Petition

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<sup>6</sup> For the avoidance of doubt, the Unsecured Customer Refundable Deposit Agreement dated July 5, 2023 (the “*CRD*”) is not part of the Customer Reserve Deposit Program and claims relating to outstanding amounts under the CRD are treated as Class 5 Claims under the Plan.

Date, the Debtors estimate that they owe approximately \$55,000 in prepetition amounts on account of the Other Programs.

### **BASIS FOR RELIEF**

#### **A. Section 363 of the Bankruptcy Code Supports the Continuation of the Customer Programs**

16. To the extent that the continuation of the Customer Programs would be deemed to constitute a use of property outside the ordinary course of business, a basis for authorizing such continuation is found under section 363(b) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code empowers the Court to allow a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate[.]” 11 U.S.C. § 363(b)(1). Courts in the Fifth Circuit have granted a debtor’s request to use of property of the estate outside of the ordinary course of business where the debtor in possession has articulated a good business reason for such use. *See, e.g., Institutional Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines, Inc. (In re Cont’l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (holding that section 363(b) of the Bankruptcy Code requires that “there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business”); *In re Crutcher Res. Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) (“A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business, but the movant must articulate some business justification for the sale . . . .”); *In re Terrace Gardens Park P’ship*, 96 B.R. 707, 714 (Bankr. W.D. Tex. 1989) (applying Continental to require “articulated business justification” for section 363 transaction).

17. Where a debtor has articulated a valid business justification for a proposed transaction, courts generally apply the business judgment rule in evaluating such transaction. *See, e.g., ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO L.L.C.)*, 650 F.3d 593 (5th Cir. 2011) (“Section



363 of the Bankruptcy Code addresses the debtor's use of property of the estate and incorporates a business judgment standard. . . . The business judgment standard in section 363 is flexible and encourages discretion.”). Courts emphasize that the business judgment rule is not an onerous standard. “Great judicial deference is given to the [debtor's] exercise of business judgment.” *GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (N.D. Tex. 2005). As long as a transaction “appears to enhance a debtor's estate, court approval of a debtor-in-possession's decision to [enter into the transaction] should only be withheld if the debtor's judgment is clearly erroneous, too speculative, or contrary to the Bankruptcy Code.” *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985) (citation and internal quotation marks omitted).

18. Finally, section 363(c) of the Bankruptcy Code authorizes a debtor in possession operating its business pursuant to section 1108 of the Bankruptcy Code to “enter into transactions . . . in the ordinary course of business without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). Section 363 of the Bankruptcy Code is designed to allow a debtor “to continue its daily operations without excessive court or creditor oversight and protect[] secured creditors and others from dissipation of the estate's assets.” *U.S. ex rel. Harrison v. Estate of Deutscher*, 115 B.R. 592, 599 (M.D. Tenn. 1990) (citations omitted); *see also Phelps v. U.S. Bank Nat. Ass'n.*, Case No. 2:13-CV-361, 2014 WL 991803, at \*3 (S.D. Tex. Mar. 13, 2014) (citing section 363 of the Bankruptcy Code and holding that “[a]n assignment that is made in the ordinary course of business does not require the pre-approval of the Bankruptcy Court of the lifting of the automatic stay”); *In re Cook & Sons Mining, Inc.*, No. Civ.A. 05-19, 2005 WL 2386238, at \*3 (E.D. Ky. Sept. 28, 2005) (“Code § 363 is designed to allow a Chapter 11 debtor the flexibility to engage in ordinary transactions

without unnecessary creditor and bankruptcy court oversight while protecting creditors by giving them an opportunity to be heard when transactions are not ordinary.”) (quoting *In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992)). Moreover, the “‘ordinary course of business’ standard is intended to allow a debtor the flexibility it needs to run its business and respond quickly to changes in the business climate.” *Harrison*, 115 B.R. at 598 (quoting *In re Johns-Manville Corp.*, 60 B.R. 612, 617 (Bankr. S.D.N.Y. 1986)).

19. The Bankruptcy Code does not define “ordinary course of business.” However, “through a synthesis of case law, courts have developed a workable analytical framework for determining whether an activity is within the debtor’s ‘ordinary course of business.’” *In re Husting Land & Dev., Inc.*, 255 B.R. 772, 778 (Bankr. D. Utah 2000), *aff’d*, 274 B.R. 906 (D. Utah 2002). “Typically courts examine the ‘horizontal’ and ‘vertical’ dimensions of a debtor’s business to address these policies reflected in the Code and to determine whether a transaction is outside the ordinary course of business.” *In re Cook & Sons Mining, Inc.*, 2005 WL 2386238, at \*4 (quoting *In re Crystal Apparel, Inc.*, 220 B.R. 816, 831 (Bankr. S.D.N.Y. 1998)).

20. The horizontal test is “an objective test asking whether, from an industry-wide perspective, the transaction is of the sort commonly undertaken by companies in that industry.” *In re Cook & Sons Mining, Inc.*, 2005 WL 2386238, at \*4 (quoting *In re Roth Am., Inc.*, 975 F.2d at 953); *see also Peltz v. Gulfcoast Workstation Grp. (In re Bridge Info. Sys., Inc.)*, 293 B.R. 479, 486 (Bankr. E.D. Mo. 2003) (a transaction qualifies as “ordinary course” if it “is of the type that is commonly undertaken within the debtor’s industry.”). The vertical dimension examines “the reasonable expectations of interested parties as to this particular debtor-in-possession.” *In re Cook & Sons Mining, Inc.*, 2005 WL 2386238, at \*4 (“Thus, the issue is whether the transaction ‘is the type of transaction which creditors would expect to have advance notice of and have a chance to

object to.’”) (quoting *In re Waterfront Cos., Inc. v. Johnston*, 56 B.R. 31, 35 (Bankr. D. Minn. 1985)); see also *In re James A. Phillips, Inc.*, 29 B.R. 391, 394 (Bankr. S.D.N.Y. 1983) (“The touchstone of ‘ordinariness’ is ... the interested parties’ reasonable expectations of what transactions the debtor in possession is likely to enter in the course of its business. So long as the transactions conducted are consistent with these expectations, creditors have no right to notice and hearing, because their objections to such transactions are likely to relate to the bankrupt’s chapter 11 status, not the particular transactions themselves.”).

21. An important characteristic of an “ordinary” postpetition business transaction is its similarity to a prepetition business practice. *Marshack v. Orange Comm. Credit (In re Nat’l Lumber & Supply, Inc.)*, 184 B.R. 74, 79 (B.A.P. 9th Cir. 1995) (to qualify as ordinary course, payment must be consistent with the past practices and industry standards), (*abrogated on other grounds by Office of the U.S. Tr. v. Hayes (In re Bishop, Baldwin, Rewald, Dillingham & Wong, Inc.)*, 104 F.3d 1147, 1148 (9th Cir. 1997)). Relevant factors in determining whether a transaction is ordinary include the type of business a debtor is engaged in as well as the size and nature of the business and transaction in question. *U.S. ex rel. Harrison v. Estate of Deutscher*, 115 B.R. at 598. While the Debtors do not believe that Court approval is required to continue honoring and maintaining the Customer Programs in the ordinary course of business, out of an abundance of caution, the Debtors request entry of the Order authorizing them to continue to honor and maintain such programs postpetition.

22. The Debtors submit that the requested relief represents a sound exercise of the Debtors’ business judgment, is necessary to avoid immediate and irreparable harm, and is justified under sections 363(b) and 363(c) of the Bankruptcy Code. If the Debtors are prohibited from honoring and maintaining their Customer Programs consistent with their past business practices,

customers will likely lose confidence in the Debtors' ability provide goods and services on competitive terms. In addition, the damage from refusing to honor these commitments far exceeds the costs associated with honoring prepetition commitments and continuing these practices. The relief requested herein will protect the Debtors' goodwill during this critical time and enhance the Debtors' ability to generate revenue. Consequently, all of the Debtors' creditors will benefit if the requested relief is granted.

23. Accordingly, the Debtors request that they be authorized, in their discretion, to continue, renew, replace, enforce, implement new and/or terminate the Customer Programs and any other customer practices as they deem appropriate, without further application to the Court. Any delay in the relief sought—indeed, even being forced to advise customers that further judicial relief is necessary—could result in the Debtors losing a portion of their customer base and severe harm to their estates. Accordingly, the requested relief is necessary to avoid immediate and irreparable harm to the Debtors and to their estates, which would far outweigh the cost of the Customer Programs.

**B. Section 105 of the Bankruptcy Code and the “Doctrine of Necessity” Support the Continuation of the Customer Programs**

24. In addition, the Debtors submit that the Court may grant the relief requested herein under the “doctrine of necessity” and to the extent applicable, section 105(a) of the Bankruptcy Code. *In re Scotia Dev., LLC*, No. 07-20027, 2007 WL 2788840, at \*1 (Bankr. S.D. Tex. Sept. 21, 2007) (acknowledging the existence of the doctrine of necessity). Section 105(a) of the Bankruptcy Code empowers bankruptcy courts to “issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C § 105(a). Section 1107(a) of the Bankruptcy Code “contains an implied duty of the debtor-in-possession” to “protect and preserve the estate, including operation business’ going-concern value,” on behalf of the

debtors' creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); *see also Unofficial Comm. of Equity Holders v. McManigle (In re Penick Pharm., Inc.)*, 227 B.R. 229, 232-33 (Bankr. S.D.N.Y. 1998) (“[U]pon filing its petition, the Debtor became debtor in possession and, through its management was burdened with the duties and responsibilities of a bankruptcy trustee.”).

25. Moreover, Bankruptcy Rule 6003 itself implies that the payment of prepetition obligations may be permissible within the first twenty-one (21) days of a case where doing so is “needed to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. Accordingly, the Bankruptcy Code authorizes the postpetition payment of prepetition claims where, as here, such payments are critical to preserving the going-concern value of a debtor’s estates. For the reasons set forth above, and in light of the need for the Debtors to preserve the going concern value of their businesses, the relief requested herein is proper and should be granted.

**C. Cause Exists to Authorize the Banks to Honor Checks and Electronic Fund Transfers**

26. The Debtors further request that the Court authorize applicable banks and other financial institutions (collectively, the “**Banks**”) to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to the Customer Programs (whether such checks or fund transfers were presented before or after the Petition Date), to the extent that sufficient funds are on deposit in available funds in the applicable bank accounts to cover such payment. The Debtors also seek authority to issue new postpetition checks or effect new postpetition electronic funds transfers in replacement of any checks or fund transfer requests on account of prepetition Customer Programs dishonored or rejected as a result of the commencement of the Chapter 11 Cases.

**EMERGENCY CONSIDERATION**

27. The Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Local Rule 9013-1 and Bankruptcy Rule 6003, which authorize the Court to grant relief within the first 21 days after the commencement of a chapter 11 case to the extent that relief is necessary to avoid immediate and irreparable harm. As described in detail above and in the First Day Declaration, immediate and irreparable harm would result if the relief requested herein is not granted. Accordingly, the Debtors submit that the requirements of Bankruptcy Rule 6003 are satisfied.

**DEBTORS' COMPLIANCE WITH BANKRUPTCY RULE  
6004(a) AND WAIVER OF BANKRUPTCY RULE 6004(a) AND (h)**

28. With respect to any aspect of the relief sought herein that constitutes a use of property under section 363(b) of the Bankruptcy Code, the Debtors request that the Court find that notice of this Motion is adequate under Bankruptcy Rule 6004(a) and waive the 14-day stay under Bankruptcy Rule 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary to avoid immediate and irreparable harm to the Debtors. Thus, cause exists for the Court to find that notice of this Motion satisfies Bankruptcy Rule 6004(a) and waive the 14-day stay under Bankruptcy Rule 6004(h).

**RESERVATION OF RIGHTS**

29. Nothing in this Motion is intended to be nor shall be deemed: (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors; (b) a waiver or limitation of the Debtors' or any other party in interest's right to dispute the amount of, basis for, or validity of any claim; (c) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable non-bankruptcy law; (d) a waiver of the obligation of any party in interest to file a proof of claim; (e) a promise or requirement to pay any

particular claim; (f) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (h) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' or any other party in interest's rights to dispute such claim subsequently.

### **NOTICE**

30. Notice of the Motion will be served on: (a) the Office of the United States Trustee for the Southern District of Texas; (b) counsel to the Ad Hoc Senior Secured Noteholder Group; (c) counsel to the Ad Hoc 26s/28s/29s Noteholder Group; (d) counsel to Renesas; (e) the creditors listed on the Debtors' consolidated list of 30 creditors holding the largest unsecured claims; (f) the United States Attorney for the Southern District of Texas; (g) the Internal Revenue Service; (h) the Securities and Exchange Commission; (i) the state attorneys general for states in which the Debtors conduct business; (j) the Banks; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

31. A copy of the Motion is available on (a) the Court's website, at [www.txs.uscourts.gov](http://www.txs.uscourts.gov) and (b) the website maintained by the Debtors' proposed claims and noticing agent, Epiq Corporate Restructuring, LLC, at <https://dm.epiq11.com/Wolfspeed>.

*[Remainder of page intentionally left blank.]*

**WHEREFORE**, the Debtors respectfully request that the Court enter the Proposed Order granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: June 30, 2025  
Houston, Texas

Respectfully submitted,

/s/ Timothy A. ("Tad") Davidson II

**HUNTON ANDREWS KURTH LLP**

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*Proposed Attorneys for the Debtors  
and Debtors in Possession*



**CERTIFICATE OF SERVICE**

I certify that on June 30, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II  
Timothy A. ("Tad") Davidson II

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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	:	
In re:	:	Chapter 11
	:	
WOLFSPEED, INC., <i>et al.</i> ,	:	Case No. 25-90163 (CML)
	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	
	X	

**ORDER (I) AUTHORIZING DEBTORS TO (A) HONOR THEIR PREPETITION  
OBLIGATIONS TO CUSTOMERS AND (B) CONTINUE THEIR CUSTOMER  
PROGRAMS AND (II) GRANTING RELATED RELIEF**

**[Relates to Docket No. \_\_\_\_]**

Upon the emergency motion (the “*Motion*”)<sup>2</sup> of the Debtors for entry of an order (this “*Order*”) (i) authorizing, but not directing, the Debtors to (a) fulfill and honor (through payment, credit, setoff, or otherwise) the Customer Programs as they deem appropriate and (b) continue, enforce, renew, replace, terminate, and implement new Customer Programs and any other customer practices as they deem appropriate, without further application to the Court, and (ii) granting related relief, all as more fully set forth in the Motion; and the Court having reviewed the Motion and the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that

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<sup>1</sup> The Debtors in these cases, together with the last four digits of each Debtor’s taxpayer identification number, are: Wolfsped, Inc. (2719) and Wolfsped Texas LLC (0339). The Debtors’ mailing address is 4600 Silicon Drive, Durham, NC 27703.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meaning assigned to them in the Motion.

no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Debtors are authorized, but not directed, to (a) fulfill and honor (through payment, credit, setoff, or otherwise) all prepetition obligations related to the Customer Programs as they deem appropriate and (b) continue, enforce, renew, replace, terminate, and implement new Customer Programs and any other customer practices as they deem appropriate, without further application to the Court, including making all payments, honoring all discounts and credits, satisfying all obligations, and permitting and effecting all setoffs in connection therewith, in each case whether related to the prepetition period or the postpetition period.

2. The Debtors are authorized to enforce any Distribution Agreements in the ordinary course of business.

3. The Banks are authorized to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to such obligations set forth herein, to the extent that sufficient funds are on deposit in available funds in the applicable bank accounts to cover such payments. The Banks are authorized to accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with

this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

4. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Chapter 11 Cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Order.

5. Nothing in the Motion or this Order, or any payment made pursuant to this Order, is intended to be or shall be deemed as (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors; (b) a waiver or limitation of the Debtors' or any other party in interest's right to dispute the amount of, basis for, or validity of any claim; (c) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable non-bankruptcy law; (d) a waiver of the obligation of any party in interest to file a proof of claim; (e) a promise or requirement to pay any particular claim; (f) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (h) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code. Any payment made pursuant to this Order is not intended to be and should not be construed as an admission to the validity of any claim or waiver of the Debtors' or any other party in interest's rights to dispute such claim subsequently. Further, nothing contained in the Motion or this Order is intended or should be construed to convert a prepetition

claim into an administrative expense priority claim on account of any claims arising under or relating to the Customer Programs.

6. Nothing in the Motion or this Order shall be construed as prejudicing any rights the Debtors may have to dispute or contest the amount of or basis for any claims asserted against the Debtors in connection with any Customer Programs.

7. Nothing in the Motion or this Order waives or modifies the rights and remedies of the Consenting Creditors (as defined in the Plan) under the Restructuring Support Agreement and the Backstop Agreement, including, without limitation, the consultation, consent, and termination rights of such parties contained therein.

8. Notwithstanding the relief granted in this Order, any payment made or to be made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any interim and final orders, as applicable, authorizing the Debtors' use of cash collateral (such orders, the "***Cash Collateral Orders***") including compliance with the Approved Budget (as defined in the Cash Collateral Orders) in connection therewith and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the Cash Collateral Orders. To the extent there is any inconsistency between the terms of the Cash Collateral Orders and the terms of this Order or any action taken or proposed to be taken hereunder, the terms of the Cash Collateral Order shall control.

9. The Debtors will notify the United States Trustee, counsel to the Consenting Creditors, and any statutory committee appointed in these cases if the Debtors make any material changes to their Customer Programs practices and procedures during the pendency of the Chapter 11 Cases.

10. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

11. Notice of the Motion is adequate under Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules.

12. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

13. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

14. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: \_\_\_\_\_, 2025  
Houston, Texas

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UNITED STATES BANKRUPTCY JUDGE