

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

CASA SYSTEMS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10695 (KBO)

(Jointly Administered)

**SUPPLEMENTAL DECLARATION OF BRIAN WHITTMAN
IN SUPPORT OF THE DEBTORS' MOTION TO APPROVE THE CLOUD/RAN SALE**

I, Brian Whittman, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am a Managing Director in the Commercial Restructuring practice at Alvarez & Marsal North America, LLC ("A&M"), which serves as restructuring advisor to Casa Systems, Inc. ("Casa"), the ultimate parent of each of the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors") and their non-debtor affiliates (the "Non-Debtor Affiliates,"² and, together with the Debtors, the "Company"). I am over the age of 18 and authorized to submit this declaration (this "Declaration") on behalf of each of the Debtors.

2. I have more than twenty-five years of experience serving as a financial advisor in distressed situations and providing restructuring and performance improvement services to corporations, various creditor classes, equity owners, and directors of financially distressed

¹ The Debtors in these chapter 11 cases, together with the last four digits of the Debtors' federal tax identification number, are Casa Systems, Inc. (8867), Casa Systems Securities Corporation (1151), and Casa Properties LLC (6767). The Debtors' service address is 100 Old River Road, Andover, MA 01810.

² The Non-Debtor Affiliates are: Casa Systems Canada Ltd., Guangzhou Casa Communications Ltd., Casa Technologies Ltd., Casa Systems SAS, Casa Communications Limited, Casa Systems B.V., Casa Communications Technology S.L. (f/k/a Nikaleia, S.L.), Casa Communications Holdings Pty Ltd, Casa Technologies Pty Ltd, NetComm Wireless Pty Ltd, NetComm Wireless (Germany) GmbH, NetComm Wireless (NZ) Limited, NetComm Wireless (UK) Limited, and NetComm Wireless Inc.

companies across a wide range of industries, including the telecommunications equipment industry. I have served as a Managing Director in A&M's Restructuring & Turnaround group since 2008 and the group's co-head of the Midwest region since 2019. During my tenure at A&M I also served as interim chief financial officer of Horizon Global in 2018–19, chief restructuring officer of UCI International in 2016, and interim chief financial officer of PSAV, Inc. in 2014. Prior to joining A&M in 2002, I spent seven years working as a director in restructuring at a former "Big Five" accounting firm. I hold bachelor's degrees in Finance and Accountancy from the University of Illinois, am a Certified Public Accountant, and a Certified Insolvency and Restructuring Advisor.

3. In my capacity as the lead Managing Director at A&M responsible for this engagement, I was closely involved in preparing the Debtors' chapter 11 filings, developing the Debtors' cash flow forecast, and providing diligence to and negotiating with certain of the Debtors' key constituencies. In doing so, I have familiarized myself with the Debtors' day-to-day operations, financial affairs, and books and records through review of certain financial documents and discussions with management. In addition, the statements made herein are based, in whole or part, upon my review of public and non-public documents and my discussions with other members of Casa's management team and advisors on whom I have relied.

4. I am generally familiar with Casa's businesses, financial condition, day-to-day operations, and the circumstances leading to the commencement of these chapter 11 cases (the "Chapter 11 Cases"). Except as otherwise noted, I have personal knowledge of the matters set forth in this declaration (this "Declaration") or have gained knowledge of such matters from Casa's employees or retained advisers in the ordinary course of my responsibilities. I believe, to the best of my knowledge, that the facts and circumstances set forth herein are true and correct.

References to bankruptcy, the chapter 11 process, and related legal matters are based on my understanding of such in reliance on the explanation provided by, and the advice of, counsel to Casa. If called upon to testify, I would testify competently to the facts set forth herein.

5. On April 3, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). I previously submitted the *Declaration of Brian Whittman in Support of the Debtors’ Motions to Use Cash Collateral, Approve Bidding Procedures, and Approve the Cloud/RAN Sale, and Other First Day Pleadings* [Docket No. 41] (the “Prior Declaration”).³

Cloud/RAN Sale

6. As described in the Prior Declaration, the Debtors commenced these Chapter 11 Cases in order to facilitate an orderly sale and winddown of the Debtors’ Cloud/RAN and Cable businesses with only enough cash on hand plus forecast receipts to survive to the end of April, and only after having failed to make a \$5.6 million interest payment originally due on March 15, 2024 to the Prepetition Lenders and taking extraordinary cash preservation measures. Absent the relief described in the Cloud/RAN Sale Motion, which provides for an expedited sale of the Cloud/RAN business in the early stages of these Chapter 11 Cases, the Debtors will be required to cease operations by the end of April. In such a scenario, the Debtors will not have sufficient funding to bring these Chapter 11 Cases to a successful conclusion, which would necessitate a value destructive chapter 7 conversion to the detriment of the Debtors’ stakeholders

³ Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Prior Declaration or the *Debtors’ Motion for Entry of an Order (I) Approving the Sale of Certain of the Debtors’ Assets Free and Clear of Liens, Claims, and Encumbrances, with Such Interests to Attach to the Proceeds, (II) Approving Assumption and Assignment Procedures in Connection Therewith, (III) Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases to the Purchaser, and (IV) Granting Related Relief* [Docket No. 42] (the “Cloud/RAN Sale Motion”), as applicable.

and result in the immediate loss of approximately 750 jobs, the vast majority of which would otherwise be preserved in connection with the Debtors' proposed Sale Transactions.

7. Accordingly, the closing of the Cloud/RAN Sale Transaction by the end of April is existential to these Chapter 11 Cases. As noted in the Zubricki Declaration and the *Supplemental Declaration of David S. Zubricki in Support of the Debtors' Cloud/RAN Sale Motion*, filed contemporaneously herewith (the "Supplemental Zubricki Declaration"), despite the Debtors' efforts, no incremental case financing, whether from third parties or the Prepetition Lenders, is available to fund these Chapter 11 Cases. Instead, only the proceeds of a Cloud/RAN Sale Transaction are available to fund the remainder of the cases, as well as a postpetition marketing process for the Cable Sale Transaction. The Debtors' urgent need to close the Cloud/RAN Sale Transaction is further evidenced by the Debtors' cash position. While the Debtors had approximately \$3.1 million of unrestricted cash on hand on the Petition Date, based on my review of the Debtors' books and records, absent closing the Cloud/RAN sale, the Debtors are forecast to have approximately \$2.4 million of unrestricted cash on April 29, 2024, which is insufficient to fund the Debtors' operations for more than a couple of days, let alone for the entirety of these Chapter 11 Cases.

8. Under the proposed staggered sale construct, I believe the Debtors and their estates would have sufficient unrestricted cash to bring these Chapter 11 Cases to a successful conclusion on the proposed timeline. The benefits of immediately closing the Cloud/RAN Sale Transaction are twofold. First, the closing would provide a cash infusion to the Debtors' estates in the approximate amount of \$32.25 million. As set forth in the cash flow forecast attached hereto as Exhibit A (the "Forecast"), this cash infusion is critical to fund these Chapter 11 Cases through the effective date of the Debtors' plan of liquidation. Second, operating the Cloud/RAN business

requires substantial cash outflows. Following the Petition Date, the Cloud/RAN business used approximately \$1.0 million of cash and is forecast to use another \$4.5 million of cash over the 5-week period following the projected closing of the Cloud/RAN Sale Transaction, or approximately \$900,000 per week. Like the use of the Cloud/RAN Sale Transaction proceeds, this reduction in go-forward operational costs is a critical piece of the Forecast and the funding of these Chapter 11 Cases.⁴

9. Even if the Debtors' liquidity situation permitted an extended timeline for the Cloud/RAN Sale Transaction, which it does not, the milestones provided for in the Restructuring Support Agreement and the *Interim Order (I) Authorizing Debtors' Limited Use of Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying Automatic Stay, (IV) Scheduling Final Hearing; and (V) Granting Related Relief* [Docket No. 108], as negotiated with the Prepetition Lenders, require that such transaction be consummated on the timeline set forth in the Cloud/RAN Sale Motion. If the Cloud/RAN Sale Transaction is not consummated in accordance with such milestones, the Debtors would lose the support of the Prepetition Lenders and their corresponding access to cash collateral, which would result in the same value destructive chapter 7 conversion and near total Company layoffs.

10. Accordingly, the Debtors have an immediate and critical need to consummate the Cloud/RAN Sale Transaction and utilize the proceeds of such transaction in order to, among other things, (i) pay the fees, costs, and expenses incurred in connection with these Chapter 11 Cases, (ii) permit the orderly continuation of the operation of their businesses, including the Company's

⁴ Additionally, as set forth in the Supplemental Zubricki Declaration, following the commencement of these Chapter 11 Cases, the Debtors, with the assistance of their advisors, continued to engage in outreach to market the Cloud/RAN business to potential buyers to maximize the value of any Cloud/RAN Sale Transaction. As a result of this significant outreach, the Debtors ultimately increased the consideration received on account of the Cloud/RAN Sale Transaction by \$17.25 million, an increase of over 100%.

global operations, (iii) maintain business relationships with the Company's customers, vendors, and suppliers, (iv) make the Company's payroll, and (v) satisfy other working capital and operational needs of the Company. I believe that, given the Debtors' postpetition liquidity situation, the only value-maximizing path forward requires Court approval of the Cloud/RAN Sale Transaction to fund these Chapter 11 Cases and a postpetition marketing process for the Cable business. The closing of the Cloud/RAN Sale Transaction by the end of April is, therefore, not only appropriate but necessary, and the Debtors cannot afford to extend the duration of such cases, nor can the Debtors afford to consummate the Cloud/RAN Sale Transaction on the same timeline as the Cable Sale Transaction. Any alternative is fatal to the Debtors' estate value and the wellbeing of the Company's employees.

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

Dated: April 25, 2024

/s/ Brian Whittman

Brian Whittman

Managing Director

Alvarez & Marsal North America, LLC

Exhibit A

Casa Systems, Inc.

Cash Forecast

(\$ in millions)

Week No. >> Week Ending >>	Act.	Act.	Est.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Total Forecast
	1 4/8/24	2 4/15/24	3 4/22/24	4 4/29/24	5 5/6/24	6 5/13/24	7 5/20/24	8 5/27/24	9 6/3/24	10 6/10/24	
Total Receipts	5.2	0.5	1.3	0.8	1.4	1.6	7.2	1.2	1.3	0.5	20.9
Operating Disbursements											
Vendor Payments	(0.0)	(0.0)	(0.0)	(0.3)	(0.2)	(0.0)	(0.3)	(1.4)	(1.0)	(2.7)	(6.1)
Payroll & Benefits	(0.0)	(2.0)	(0.3)	(2.3)	(1.6)	(2.3)	(0.1)	(1.4)	(0.2)	(0.9)	(11.3)
Rent & Utilities	(0.1)	(0.0)	(0.0)	(0.3)	-	-	-	(0.4)	-	-	(0.8)
All Other	0.0	(0.1)	(0.4)	-	-	(0.8)	-	-	-	(0.8)	(2.1)
Total Operating Disbursements	(0.1)	(2.2)	(0.7)	(2.9)	(1.9)	(3.1)	(0.4)	(3.3)	(1.3)	(4.4)	(20.3)
Operating Cash Flow	\$ 5.1	\$ (1.7)	\$ 0.6	\$ (2.1)	\$ (0.5)	\$ (1.5)	\$ 6.8	\$ (2.1)	\$ (0.0)	\$ (3.9)	\$ 0.7
Non-Operating Disbursements											
Capital Expenditures	-	-	-	(0.1)	-	(0.1)	-	-	-	(0.1)	(0.3)
Debt service (payments) / proceeds	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Disbursements	-	-	-	(0.1)	-	(0.1)	-	-	-	(0.1)	(0.3)
Restructuring Adjustments											
Professional Fees	-	(0.9)	(0.6)	(1.2)	(3.2)	(1.2)	(1.2)	(1.2)	(1.1)	(1.2)	(11.8)
RIF/Severance	-	-	-	-	-	(0.0)	-	-	-	-	(0.0)
FDM Relief	-	(0.1)	(0.1)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	-	(2.0)
Cloud Sale Proceeds	-	-	-	-	-	-	-	-	-	-	-
Utility Deposit	-	-	(0.1)	-	-	-	-	-	-	-	(0.1)
Total Restructuring Adjustments	-	(0.9)	(0.8)	(1.5)	(3.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.2)	(14.0)
Net Cash Flow	\$ 5.1	\$ (2.6)	\$ (0.2)	\$ (3.7)	\$ (4.0)	\$ (3.1)	\$ 5.3	\$ (3.6)	\$ (1.5)	\$ (5.2)	\$ (13.6)
Beginning Cash Balance	\$ 8.5	\$ 13.5	\$ 10.9	\$ 10.7	\$ 7.0	\$ 2.9	\$ (0.2)	\$ 5.2	\$ 1.6	\$ 0.1	\$ 8.5
Net Cash Flow	5.1	(2.6)	(0.2)	(3.7)	(4.0)	(3.1)	5.3	(3.6)	(1.5)	(5.2)	(13.6)
Ending Book Cash Balance	\$ 13.5	\$ 10.9	\$ 10.7	\$ 7.0	\$ 2.9	\$ (0.2)	\$ 5.2	\$ 1.6	\$ 0.1	\$ (5.2)	\$ (5.2)
Less: Restricted cash	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Less: China	(0.7)	(0.6)	(0.1)	(0.5)	(0.2)	(0.1)	(0.6)	(0.4)	(0.1)	(0.4)	(0.4)
Ending Available Cash	\$ 10.8	\$ 8.3	\$ 8.5	\$ 4.4	\$ 0.7	\$ (2.3)	\$ 2.5	\$ (0.9)	\$ (2.0)	\$ (7.6)	\$ (7.6)
Less: Intl Cash	(2.6)	(2.9)	(3.8)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Ending Available Cash - US	\$ 8.2	\$ 5.4	\$ 4.7	\$ 2.4	\$ (1.3)	\$ (4.4)	\$ 0.5	\$ (2.8)	\$ (4.0)	\$ (9.6)	\$ (9.6)
Contingency and Minimum Cash	-	-	-	-	-	-	-	-	(2.0)	-	(2.0)
Ending Cash (Shortfall) - US	\$ 8.2	\$ 5.4	\$ 4.7	\$ 2.4	\$ (1.3)	\$ (4.4)	\$ 0.5	\$ (2.8)	\$ (6.0)	\$ (11.6)	\$ (11.6)

Bid Procedures
Bid
Auction
Cable Sale
Approved / Cloud Sale Close
Deadline
Close

Memo:

Casa US Available Cash	\$ 8.2	\$ 5.4	\$ 4.7	\$ 2.4	\$ (1.3)	\$ (4.4)	\$ 0.5	\$ (2.8)	\$ (4.0)	\$ (9.6)	\$ (9.6)
Casa Intl Available Cash	2.6	2.9	3.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	\$ 10.8	\$ 8.3	\$ 8.5	\$ 4.4	\$ 0.7	\$ (2.3)	\$ 2.5	\$ (0.9)	\$ (2.0)	\$ (7.6)	\$ (7.6)

Notes:

Includes both Debtors and Non-Debtors Excluding NetComm Entities

Prepetition cash activity is excluded from Week 1

Cash flows related to the Cloud/RAN sale are excluded for illustrative purposes