

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

*In re*

AN GLOBAL LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 23-11294 (JKS)

(Jointly Administered)

**DECLARATION OF STEPHEN PREEFER IN SUPPORT OF THE  
DEBTORS' MOTION FOR ENTRY OF: (I) AN ORDER (A) SCHEDULING A  
HEARING ON THE APPROVAL OF THE SALE OF ALL OR SUBSTANTIALLY ALL  
OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL ENCUMBRANCES OTHER  
THAN ASSUMED LIABILITIES AND PERMITTED ENCUMBRANCES, AND THE  
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES, (B) APPROVING CERTAIN BIDDING PROCEDURES,  
BIDDING PROTECTIONS, AND ASSUMPTION AND ASSIGNMENT PROCEDURES,  
AND THE FORM AND MANNER OF NOTICE THEREOF, (C) AUTHORIZING THE  
DEBTORS TO ENTER INTO THE STALKING HORSE APA, AND (D) GRANTING  
RELATED RELIEF; AND (II) AN ORDER (A) APPROVING ASSET PURCHASE  
AGREEMENT, (B) AUTHORIZING THE SALE OF ALL OR SUBSTANTIALLY ALL  
OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL ENCUMBRANCES OTHER  
THAN ASSUMED LIABILITIES AND PERMITTED ENCUMBRANCES,  
(C) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES,  
AND (D) GRANTING RELATED RELIEF**

I, Stephen Preefer, declare as follows:

1. The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number or registration number in the applicable jurisdiction, are: AN Global LLC (5504); AgileThought, Inc. (2509); 4th Source Holding Corp. (9629); 4th Source Mexico, LLC (7552); 4th Source, LLC (7626); AgileThought Brasil-Consultoria Em Tecnologia LTDA (01-42); AgileThought Brasil Servicos de Consultoria Em Software (01-20); AgileThought Costa Rica S.A. (6822); AgileThought Digital Solutions, S.A.P.I. de C.V. (3KR0); AgileThought México S.A. de C.V. (7E46); AgileThought, LLC (7076); AgileThought Servicos Administrativos, S.A. de C.V. (4AG1); AgileThought Servicos México S.A. de C.V. (8MY5); AgileThought, S.A.P.I. de C.V. (No Tax ID); AGS Alpama Global Services USA, LLC (0487); AN Data Intelligence, S.A. de C.V. (8173); AN Extend, S.A. de C.V. (1D80); AN Evolution, S. de R.L. de C.V. (7973); AN USA (5502); AN UX, S.A. de C.V. (7A42); Cuarto Origen, S. de R.L. de C.V. (0IQ9); Entrepids México, S.A. de C.V. (OCYA); Entrepids Technology Inc. (No Tax ID); Facultas Analytics, S.A.P.I. de C.V. (6G37); Faktos Inc., S.A.P.I. de C.V. (3LLA); IT Global Holding LLC (8776); and QMX Investment Holdings USA, Inc. (9707); AgileThought Argentina, S.A. (No Tax ID); AGS Alpama Global Services México, S.A. de C.V. (No Tax ID); and Tarnow Investment, S.L. (No Tax ID). The Debtors' headquarters are located at 222 W. Las Colinas Boulevard, Suite 1650E, Irving, Texas 75039.



1. I am a Managing Director at Guggenheim Securities, LLC (“Guggenheim Securities”), an investment banking and financial advisory firm with principal offices located at 330 Madison Avenue, New York, New York 10017. Guggenheim Securities is the proposed investment banker for the debtors and debtors-in-possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”).<sup>2</sup>

2. I submit this declaration (“Declaration”) in support of the *Debtors’ Motion for Entry of: (I) an Order (A) Scheduling a Hearing on the Approval of the Sale of All or Substantially All of the Debtors’ Assets Free and Clear of All Encumbrances Other Than Assumed Liabilities and Permitted Encumbrances, and the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (B) Approving Certain Bidding Procedures, Bidding Protections, and Assumption and Assignment Procedures, and the Form and Manner of Notice Thereof, (C) Authorizing the Debtors to Enter Into the Stalking Horse APA, and (D) Granting Related Relief; and (II) an Order (A) Approving Asset Purchase Agreement, (B) Authorizing the Sale of All or Substantially All of the Debtors’ Assets Free and Clear of All Encumbrances Other Than Assumed Liabilities and Permitted Encumbrances, (C) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (D) Granting Related Relief* [Docket No. 72] (the “Sale Motion”).<sup>3</sup>

3. Although Guggenheim Securities is expected to be compensated for its work as the Debtors’ proposed investment banker in the Chapter 11 Cases, I am not compensated separately for this Declaration or testimony. Except as otherwise indicated herein, all of the facts

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2. The Debtors have filed an application to retain Guggenheim Securities as their investment banker, effective as of the commencement of these Chapter 11 Cases [Docket No. 84].

3. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sale Motion.

set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, the information provided to me by Guggenheim Securities professionals involved in advising the Debtors in the Chapter 11 Cases, or information provided to me by the Debtors. If called upon to testify, I could and would testify to the facts set forth in this Declaration on that basis. I am over the age of 18 years and am authorized to submit this Declaration.

### **Qualifications**

4. I have more than 10 years of experience, including restructuring-related investment banking experience, advising on complex financial and other restructuring matters for a variety of companies (distressed or otherwise, both in and out of court), in a wide spectrum of industries. My areas of expertise include, among other things, (a) advising on financial restructuring execution and strategies, (b) analyzing business plans and related financial projections, (c) sizing, structuring, raising, and executing all aspects of financing transactions, including debtor-in-possession and exit financings, and (e) M&A and sale marketing processes. I have been employed at Guggenheim Securities since 2016. Prior to joining Guggenheim Securities, I was an investment banker at Miller Buckfire & Co., a boutique investment bank where I primarily advised on restructuring matters from 2012 to 2016. I graduated from Dartmouth College with a Bachelor of Arts in Economics in 2012.

5. I have advised companies, creditors and key stakeholders in the following chapter 11 cases: Payless ShoeSource, Nine West Holdings, Ascena Retail Group, Sears Holdings, GulfMark Offshore, Northwest Hardwoods, Nielson & Bainbridge, among others.

### **The Retention of Guggenheim Securities**

6. Guggenheim Securities has been engaged as investment banker to the Debtors, and members of my team and I have been working with the Debtors, since August 11, 2023. Since being engaged by the Debtors, Guggenheim Securities has worked with the Debtors'

management team and other professionals retained by the Debtors, including in connection with the lead-up to these Chapter 11 Cases, and has become familiar with the Debtors' capital structure, financial condition, liquidity needs, and business operations.

### **The Marketing and Sale Process**

7. The Debtors engaged Guggenheim Securities in August 2023 to assist the Debtors in connection with their exploration and solicitation of offers for the Debtors' assets in a going-concern sale during these Chapter 11 Cases. In connection therewith, the Debtors, with the assistance of Guggenheim Securities, initially contacted twenty-eight (28) parties to solicit interest in serving as a stalking horse bidder as part of the Debtors' evaluation of the Stalking Horse Bid. During that initial outreach, none of the parties contacted expressed interest in providing a competing stalking horse proposal. Thereafter, the Debtors, with the assistance of Guggenheim Securities and their other advisors, prepared marketing materials, populated a virtual data room with financial and historical diligence materials, and identified and reached out to additional potentially interested bidders. To date, in total, seventy-nine (79) potential transaction parties, consisting of a mix of potential strategic or financial partners, have been contacted regarding the Assets, forty-one (41) of whom have signed non-disclosure agreements. In addition, certain of the potential bidders have already started to engage in due diligence.

8. Following the approval of the proposed Bidding Procedures, the Debtors, with the assistance of Guggenheim Securities, expect to continue marketing the Assets to potential bidders, including by continuing to engage not just with parties who may have an interest in bidding for all of the Assets, but also with parties who may only wish to bid for select portions thereof.

**The Bidding Procedures and Sale Timeline**

9. As noted in the Sale Motion, the Debtors seek approval of the Bidding Procedures to facilitate a value-maximizing sale of the Assets in a timely and efficient manner. As more fully described in the Motion, the Bidding Procedures contain provisions relating to, among other things, (a) the Assets available for sale, (b) the manner in which bids and bidders become “qualified,” (c) the provision of diligence by the Debtors to bidders, (d) the receipt and negotiation of bids received, (e) the conduct of any Auction, (f) the selection and approval of the Successful Bidder(s) and the Next- Highest Bidder(s), and (g) the designation and approval of the Stalking Horse Bidder, Stalking Horse APA, and the Expense Reimbursement.

10. In addition, as noted in the Sale Motion and the Proposed Order, the Bidding Procedures contain the following proposed dates and deadlines:

<b>Event</b>	<b>Date</b>
Hearing on the Bidding Procedures	September 22, 2023 at 11:00 a.m. (prevailing Eastern Time)
Bid Deadline	November 9, 2023 at 5:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to Designate Qualified Bids and Baseline Bid	November 10, 2023 at 5:00 p.m. (prevailing Eastern Time)
Auction	November 13, 2023 at 11:00 a.m. (prevailing Eastern Time)
Sale Objection Deadline	November 2, 2023 at 4:00 p.m. (prevailing Eastern Time)
Debtors’ Deadline to Reply to Sale Objections	November 13, 2023 at 4:00 p.m. (prevailing Eastern Time)
Supplemental Sale Objection Deadline	November 15, 2023 at 10:00 a.m. (prevailing Eastern Time)
Sale Hearing	November 16, 2023 at [●] (prevailing Eastern Time)

11. Additionally, as noted in the Sale Motion, the Debtors also seek authority to enter into the Stalking Horse APA with an entity organized and controlled by the Agent as the Stalking Horse Bidder. In connection therewith, the Debtors are seeking approval of the Stalking

Horse Bidder's expense reimbursement (the "Expense Reimbursement") in an amount not to exceed \$2.5 million, as set forth in the Sale Motion.

12. Based on my experience, I believe that the proposed Bidding Procedures have been designed with the intent to maximize the value received for the Assets by facilitating a competitive bidding process in which potential bidders are encouraged to participate and submit competing bids within the specified time frame. Additionally, given the commencement of the existing marketing process described above (including, without limitation, the number of parties that have been contacted, executed NDAs and started to engage in due diligence), the proposed post-petition continuation of such marketing process, the amount of diligence materials anticipated to be made available to such potential bidders, and the Debtors' liquidity position, it is my view, based on my experience as a restructuring investment banker, that the proposed Bidding Procedures are reasonable under the circumstances of these Chapter 11 Cases.

13. With respect to the Expense Reimbursement, in my experience, stalking horse bidders typically require bid protections such as the Expense Reimbursement and I believe that such terms are customary and usual under the circumstances. I am also advised that the Debtors are not seeking approval, pursuant to the Sale Motion, for any break-up fee for the Stalking Horse Bidder and, as described in the Sale Motion, notwithstanding the Debtors' entry into the Stalking Horse APA, assuming the proposed Bidding Procedures are approved, the Debtors will also be able to conduct the postpetition marketing and sale process described herein. Additionally, negotiations around the proposed Stalking Horse APA and its terms extended for several weeks. In my view, based solely on the discussions that I participated in and observed during the course of these negotiations, as well as my experience with other sale processes, these negotiations were conducted at arm's length. Additionally, I am not aware of the Debtors having received any higher

or better offer than the Stalking Horse APA in connection with the post-petition marketing process described herein. Accordingly, as noted in the Sale Motion, the contemplated Stalking Horse APA is being proposed to serve as the baseline bid for all prospective bidders to negotiate from, and to be subject to higher or otherwise better bids for the Assets in accordance with the Bidding Procedures.

14. Finally, the timeline proposed by the Debtors in the Bidding Procedures provides approximately ten (10) weeks between the filing of the Sale Motion and the Bid Deadline. Under the circumstances described herein and in the Sale Motion, I believe that, based on my experience as a restructuring investment banker, this timeline provides the Debtors with a reasonable amount of time to conduct such a marketing process for the Assets and to solicit and potentially select the highest or otherwise best potential offer for the Assets. Additionally, at the Auction, as set forth in the proposed Bidding Procedures, the Debtors will have an opportunity to consider all potential competing offers and select the offer for the Assets that they deem to be the highest or otherwise best such offer.

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, information and belief.

Executed on September 21, 2023.

/s/ Stephen Preefer \_\_\_\_\_  
Stephen Preefer  
Managing Director  
Guggenheim Securities, LLC