

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
Sustainable Restaurant Holdings, Inc., <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11087 (___)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

**DECLARATION OF DAVID R. CAMPBELL IN SUPPORT OF DIP MOTION**

I, David R. Campbell, declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I submit this Declaration (the “Declaration”) in support of the *Debtors’ Motion Seeking Entry of Interim and Final Orders (I) Authorizing Debtors to Obtain Senior and Junior Secured Postpetition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Authorizing the Use of Cash Collateral, (IV) Modifying Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief* (the “DIP Motion”),<sup>2</sup> which seeks approval, among other things, of a \$1.9 million superpriority senior and junior secured loan facility and the postpetition use of Cash Collateral.<sup>3</sup>

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<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each of the Debtors’ respective federal tax identification numbers, are as follows: Sustainable Restaurant Holdings, Inc. (6430); SRG Operations, LLC (0486); Quickfish LLC (7391); Bamboo Sushi, LLC (9009); Quickfish Pearl District LLC (9060); Quickfish SW Stark, LLC (1879); Quickfish Slabtown LLC (7391); Quickfish Avanti (Bamboo Sushi Avanti, LLC) (9009); Bamboo Sushi NE Alberta, LLC (7610); Bamboo Sushi Lake Oswego, LLC (9484); Bamboo Sushi SW 12th, LLC (7382); Bamboo Sushi Denver Lo-Hi, LLC (4045); Bamboo Sushi NW 23rd, LLC (1361); Bamboo Sushi Seattle Cap Hill, LLC (9009); Bamboo Sushi U Village Seattle, LLC (9052); Bamboo Sushi Embarcadero SF, LLC (5837); Bamboo Sushi Bishop Ranch, LLC (3763); Bamboo Sushi Kierland Scottsdale, LLC (0483); Bamboo Sushi Commissary Kitchen, LLC (2194); Bamboo Sushi Biltmore Phoenix, LLC (9412); Bamboo Sushi Valley Fair, LLC (2887); Bamboo Sushi Washington Square, LLC (5066). The Debtors’ headquarters address is: 920 SW 6th Avenue, Suite 1200, Portland, OR 97204 and mailing address is: PO Box 3347, Portland, OR 97208. The Debtors operate restaurants under the following names: Bamboo Sushi and Quickfish.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meaning given to such terms in the DIP Motion.

<sup>3</sup> The material terms of the proposed DIP Facility and the use of Cash Collateral are summarized in the DIP Motion

2. I am over the age 18 and am authorized to submit this Declaration on the Debtors' behalf, and, if called upon to testify, I could and would testify competently to the facts set forth herein.

3. Since November 2016, I have been a Managing Director of Getzler Henrich Advisors LLC ("Getzler Henrich"). Prior to Getzler Henrich, I was was a managing director in the private equity coverage group at Fifth Third Bank. I was also a managing director with Almeric Capital Partners, a credit opportunity fund focusing on distressed first- and second- lien leveraged loans. Earlier, I served as a senior vice president with GE Capital's Health Care Finance group and a principal at Potak, Campbell & Co., a boutique corporate restructuring firm providing advisory services to unsecured creditors.

4. I graduated with an MBA from the University of Chicago's Booth School of Business and received a Masters' Degree from the University of Chicago's Harris School of Public Policy. I received a Bachelor of Arts from Boston University.

5. I have over 20 years' experience with in- and out-of-court restructurings and recapitalizations, mergers and acquisitions and divestiture initiatives. I have worked with companies, private equity firms, banks, family offices and commercial lenders by providing leadership, operational and strategic advice in a wide range of corporate finance transactions, including restructurings and reorganizations, mergers and acquisitions, and debt and equity financings.

6. The Debtors engaged Getzler Henrich as their financial advisor on April 5, 2020 to assist in the evaluation of strategic alternatives, including debt or equity financing and the potential sale of the Debtors as a going concern. I have worked closely with the Debtors' management and other professionals retained by the Debtors with respect to the Debtors' financing and restructuring

efforts. As a result, I have become well-acquainted with the Debtors' capital structure, liquidity needs, and business operations.

7. The Debtors commenced these chapter 11 cases on May 11, 2020 (the "Petition Date"). Further facts relating to the Debtors, their background, capital structure, and the circumstances relating to the Debtors' chapter 11 cases are set forth in the *Declaration of Matthew Park in Support of First Day Motions and Applications* (the "First Day Declaration"), filed contemporaneously herewith.

8. As of the Petition Date, the Debtors' capital structure, on a consolidated basis, consists of outstanding unsecured note in the principal amount of approximately \$1,499,800, unsecured trade debt of \$910,000, and other potential unsecured debt of approximately \$1,690,000, exclusive of potential lease termination claims.

9. As detailed in the First Day Declaration, similar to a number of their peers, and even prior to the onset of the COVID-19 pandemic, the Debtors struggled due to adverse macro trends and negative trending same-store performance in certain locations. While the Debtors made a number of attempts and implemented different measures to improve their operations and business, none of these measures produced any material increases in revenue in these locations and their revenue and profitability remains insufficient to support their debt service, working capital, and capital expenditures requirements, and possibly fund the eventual reopening of some or all of the debtor's restaurants, thereby resulting in liquidity pressures.

10. In late February and early March, the onset of the COVID-19 pandemic occurred and is continuing, which has severely disrupted the Debtors' business operations. The Debtors were required to suspend their in-dining service at all of their locations and shifted to a take-out and delivery model at only 3 of their 12 pre-COVID 19 operating locations as they attempted to

weather the COVID-19 storm. The shift in business operations has placed a significant strain on the Debtors' resources. As a result of this strain, the Debtors reassessed the viability of their business and their near-term survival, as well as and their potential post-COVID-19 success.

11. As described in the First Day Declaration, the Debtors commenced these chapter 11 cases to conduct a prompt sale of all or substantially all of their assets or other restructuring through a plan with the goal of maximizing achievable value for all stakeholders. Consummation of a sale transaction or restructuring as soon as possible is in the best interests of the Debtors' estates. The Debtors' ability to access additional liquidity through the available DIP Facility is necessary to support the sale process contemplated.

12. In an effort to support the financial needs of their ongoing business, the Debtors engaged BMO Capital Markets ("BMO") in March 2020 to seek either debt or equity investors or a sale of the Debtors' business. BMO reached out to over 30 parties. While several parties executed confidentiality agreements and received confidential information and conducted due diligence, it became clear that the needed incremental financing was not available in the current market conditions.

13. Given the deteriorating financial and cash position of the Debtors, it became apparent that a bankruptcy or other insolvency process was likely needed. To continue the marketing process through any such process, in the beginning of May 2020, the Debtors retained SSG Capital Advisors LLC ("SSG") to continue the marketing process for the Debtors' business through a chapter 11 process. The Debtors also reached out to certain of its current equity investors to determine their interest in providing financing in connection with the filing of these chapter 11 cases and the continued pursuit of a sale or restructuring process by the Debtors. In addition to the efforts of BMO, on behalf of the Debtors, Getzler Henrich also solicited proposals for

alternative debtor-in-possession financing from a variety of third-party potential lenders, including at least five lenders and financial institutions (including specialty lenders and those that routinely provide debtor-in-possession financing) to gauge their interest in providing postpetition financing on an unsecured basis, on a junior priority basis, or on more favorable economic terms than the proposed DIP Facility. No other actionable proposal or indication of interest in a debtor-in-possession financing facility was provided to the Debtors other than the proposed DIP Facility by the DIP Lenders.

14. Based on the foregoing, the Debtors believe, and I agree, that the DIP Facility and consensual use of Cash Collateral represent the best financing option available under the circumstances. It is also my belief that the economic terms of the DIP Facility are customary for debtor-in-possession financings of this type and were the product of arm's-length negotiations with the DIP Secured Parties.

15. The DIP Facility and access to Cash Collateral will provide the Debtors with immediate access to liquidity. The Debtors believe that obtaining access to the financing under the DIP Facility and Cash Collateral will send a positive signal to the Debtors' employees, vendors, landlords, suppliers, and customers that the Debtors will be able to continue to meet their commitments and are not likely to languish in bankruptcy, which the Debtors believe will facilitate the success of these chapter 11 cases.

16. The Debtors have filed the DIP Motion, which requests that the Court approve the DIP Facility provided by the DIP Lenders as well as the use of Cash Collateral. As noted above and outlined in the First Day Declaration, absent debtor-in-possession financing, the Debtors lack sufficient liquidity to continue to operate their businesses while in chapter 11 and adequately market their assets to effectuate a sale or restructuring process. The Debtors therefore need the

relief requested in the DIP Motion, including access to the DIP Facility and use of Cash Collateral, in order to: (a) continue their current, day-to-day operations, including satisfying payroll obligations; (b) meet their ongoing obligations under their major trade agreements and leases; (c) satisfy the administrative expenses of their chapter 11 cases; and (d) market their business for sale as a going concern.

17. Based on the facts set forth above, I agree with the Debtors' conclusion that the proposed DIP Facility is the only viable option available for the Debtors to obtain postpetition financing. The Debtors are unable to obtain alternative debtor-in-possession financing on an unsecured basis or on economic terms more favorable than the proposed DIP Facility. In addition, it is my view, based on my experience advising similarly situated companies, that the terms of the proposed DIP Facility are customary for this type of financing.

18. In sum, based on the foregoing, I believe, based on my experience advising similarly situated companies, that (a) no alternative debtor-in-possession financing is available to the Debtors on economic terms more favorable than those of the proposed DIP Facility, (b) the terms of the proposed DIP Facility are customary for this type of financing, and (c) access to the DIP Facility and the consensual use of Cash Collateral is necessary for the Debtors to continue to operate their business during these chapter 11 cases and to fund chapter 11 administrative expenses.

Pursuant to section 1746 of title 28 of the United States Code, I declare under penalty of perjury that the foregoing is true and correct.

Dated: May 12, 2020

/s/ David R. Campbell

Name: David R. Campbell

Title: Managing Director

Getzler Henrich Advisors LLC