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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

SHIFT TECHNOLOGIES, INC., *et al.*,¹
Debtors.

Case No. 23-30687 (HLB) (Lead Case)

(Jointly Administered)

**DECLARATION OF DAVID PERESS IN
SUPPORT OF COMPENSATION FOR
HILCO IP SERVICES, LLC, d/b/a HILCO
STREAMBANK**

[Related to Docket No. 277]

[No Hearing Required Unless Requested]

¹ The last four digits of Shift Technologies, Inc.'s tax identification number are 5852. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Shift>. The Debtors' service address is P.O. Box 1664, San Bruno, CA 94066-1664.

1 I, David Peress, hereby declare pursuant to 28 U.S.C. § 1746 as follows:

2 1. I am the Executive President of Hilco IP Services, LLC d/b/a Hilco Streambank
3 (“Hilco Streambank”), authorized intellectual property advisor and broker to Shift Technologies,
4 Inc. and certain of its affiliates that are the debtors and debtors in possession (collectively, “Shift,”
5 the “Debtors,” or the “Company”) in the above captioned chapter 11 cases.

6 2. Hilco Streambank’s retention and terms of compensation were approved pursuant
7 to the *Order Authorizing Retention of Hilco IP Services, LLC d/b/a Hilco Streambank as Debtors’*
8 *Intellectual Property Advisor* (the “Hilco Retention Order”) [Dkt. No. 277] entered on
9 December 20, 2023.

10 3. The facts set forth in this declaration are personally known to me, and, if called as
11 a witness, I could and would competently testify thereto.

12 4. In connection with its engagement by the Debtors, Hilco Streambank worked with
13 the Debtors and their professionals to identify and assemble relevant data concerning the Assets,²
14 and to market the Assets to potential buyers. Hilco Streambank’s activities included:

- 15 A. Working with the Debtors and their advisors to identify, collect, and secure all
16 of the available information and data concerning the Assets;
- 17 B. Developing marketing materials, including an information sheet and website
18 landing page (the “Teaser”), and a detailed information memorandum (the
19 “CIM”), which described the Assets, the history of their use and their
20 availability for sale;
- 21 C. Working with the Debtors to secure credentials for assets including social
22 media pages and domain names;
- 23 D. Synthesizing information concerning the Assets;
- 24 E. Drafting and disseminating a press release via *PR Newswire* describing the
25 Assets and their availability for sale;

26
27
28 ² Capitalized terms used but not defined herein have the respective meanings ascribed to them in the Hilco Retention Order.

- 1 F. Coordinating an exclusive feature in the trade publication *Automotive News*
- 2 describing the Assets and their availability for sale;
- 3 G. Developing a contact list of potential buyers of the Assets;
- 4 H. Having direct contact by phone or email with approximately 197 potential
- 5 buyers of the Assets;
- 6 I. Disseminating email marketing materials that were sent to approximately
- 7 31,000 contacts from Hilco Streambank's proprietary contact database;
- 8 J. Advertising the Assets on Hilco Streambank's LinkedIn and Twitter pages;
- 9 K. Establishing and populating a virtual data room (the "VDR") and arranging for
- 10 the admission of approximately 40 parties to the VDR who executed a form of
- 11 non-disclosure agreement acceptable to the Debtors;
- 12 L. Soliciting "stalking horse" proposals, identifying a stalking horse bidder, and
- 13 assisting the Debtors and their counsel in negotiating and documenting a
- 14 stalking horse agreement;
- 15 M. Developing an auction format for the Assets, including a bid form and bidder
- 16 qualification guidelines;
- 17 N. Managing the Auction of the Assets;
- 18 O. Working with the Debtors and the Successful Bidders (defined below) of the
- 19 Assets to identify and document deliverables and terms of the transactions
- 20 related to the sale of the Assets; and
- 21 P. Working with the Debtors and their professionals to close the sales of the
- 22 Assets.

23 5. The Assets were sold in four separate transactions (the "Asset Sales") for aggregate
 24 consideration of \$2,420,000, to three different buyers. On February 9, 2024, I submitted a
 25 declaration in support of such sales (the "Peress Sale Declaration") [Dkt. No. 445]. As described
 26 more fully in the Peress Sale Declaration, the Asset Sales are summarized as follows:³

27 ³ Capitalized terms used but not defined in this paragraph 5 only have the respective meanings
 28 ascribed to them in the Peress Sale Declaration.

- 1 A. The Shift.com domain name assets were acquired by Shift Canada for
- 2 \$1,365,000.00;
- 3 B. The Fair.com Assets were acquired by Primera for \$900,000;
- 4 C. The CarLotz.com and Autoacquire.com domain name assets, as well as
- 5 drivecanvas.io and xchangeleasing.com, were acquired by Scott Painter, an
- 6 individual, for \$35,000;
- 7 D. The Codebase – Shift Platform, Codebase – Legacy Fair Platform, books and
- 8 records supporting the same, and a related patent were acquired by Scott Painter, an
- 9 individual, for \$120,000.

10 6. The Asset Sales were authorized by the *Order Pursuant to 11 U.S.C. §§ 105(a),*
11 *363(b) and 363(f), and Fed. R. Bankr. P. 6004 Authorizing Debtors to Sell Intellectual Property*
12 *Assets Free and Clear of Liens, Claims, Encumbrances, and Interests*, entered on March 7, 2024
13 [Dkt. No. 527] (the “Sale Order”). Fully-executed copies of the asset purchase agreements
14 documenting the Asset Sales were attached to the Sale Order as Exhibits A-D (the “APAs”). The
15 APAs include full descriptions of the assets sold through the Asset Sales.

16 7. All of the transactions contemplated by the APAs have closed.

17 8. In accordance with the Hilco Retention Order, upon the closing of each transaction
18 for the Assets, Hilco Streambank is entitled to a commission equal to 10% of the aggregate Gross
19 Proceeds up to \$2 million, and 15% of the aggregate Gross Proceeds in excess of \$2 million. Based
20 on the aggregate Gross Proceeds received from the Asset Sales of \$2,420,000, Hilco Streambank’s
21 commission equals \$263,000. In addition, under the terms of the Hilco Retention Order, Hilco
22 Streambank is entitled to be reimbursed for its Reimbursable Expenses. Hilco incurred \$500 in
23 Reimbursable Expenses in connection with the maintenance of the VDR.

24 9. Pursuant to the Hilco Retention Order, Hilco Streambank is to be compensated and
25 reimbursed pursuant to section 328(a) of the Bankruptcy Code, free and clear of all liens, claims,
26 and encumbrances, and without the necessity of Hilco Streambank filing monthly, interim, or final
27 fee applications or otherwise complying with any monthly, quarterly, or final compensation
28 procedures applicable to professionals; *provided, however*, that Hilco Streambank files this

1 declaration. Further, the Hilco Retention Order authorizes the Debtors to pay Hilco Streambank's
2 compensation and Reimbursable Expenses fourteen (14) days after service of this declaration on
3 the Office of the United States Trustee, counsel for the Committee, and counsel for Ally Bank, if
4 there are no objections from the same.

5 10. In conclusion, Hilco Streambank is entitled to payment of \$263,000 in fees and
6 reimbursement of \$500 in Reimbursable Expenses for its services as intellectual property advisor
7 and broker to the Debtors.

8 I declare under penalty of perjury under the laws of the United States that the foregoing is
9 true and correct. Executed this 25th day of March, 2024, in Needham, Massachusetts.

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11
12 /s/ David Peress
13 David Peress
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