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## NewAge To Get OK For \$28M Ch. 11 Credit Bid Sale

By **Rick Archer**

Law360 (October 11, 2022, 5:16 PM EDT) -- A Delaware bankruptcy judge said on Tuesday that she was prepared to approve the \$28 million sale of health and wellness product distributor NewAge Inc., after the company said it received no offers that beat its stalking horse credit bid.

At a hybrid hearing, U.S. Bankruptcy Judge Laurie Selber Silverstein said she would approve NewAge's sale once the company finalizes the changes to the sale agreement made to resolve a number of creditor objections.

Utah-based NewAge, which distributes lines of health, wellness and beauty products through a worldwide multilevel marketing network, filed for **Chapter 11 protection** in August with \$149 million in debt.

The company said it had reached an agreement with longtime independent sales associate John Wadsworth, under which Wadsworth provides **\$16 million in debtor-in-possession financing** and puts up that and the \$12 million in secured debt he purchased just before the bankruptcy as a stalking horse credit bid for NewAge's assets.

Last month, objections by the unsecured creditor's committee to the proposed auction were **resolved** by Wadsworth's pledge to provide up to \$1.5 million to pay unsecured claims.

At Tuesday's hearing, counsel for NewAge said it received no other qualified bids for its assets before the Oct. 6 auction deadline and that all other objections to the sale had either been resolved or deferred.

These included an objection by a pair of NewAge executives, who agreed to drop their objection in exchange for \$1 million in benefit payments and up to \$100,000 in legal fees from Wadsworth, as well as a pledge by the buyer to either assume their deferred compensation stock plan or the liabilities associated with the plan.

The debtors are represented by Dennis A. Meloro, Anthony W. Clark, Annette Jarvis, Michael F. Thomson, Peggy Hunt, Alison Elko Franklin and Carson Heninger of Greenberg Traurig LLP.

The buyer is represented by Steven M. Berman of Shumaker Loop & Kendrick LLP and Lucian Borders Murley of Saul Ewing Arnstein & Lehr LLP.

The settling executives are represented by Donald J. Detweiler and Morgan L. Patterson of Womble Bond Dickinson LLP.

The case is In re: NewAge Inc., case number 1:22-bk-10819, in the U.S. Bankruptcy Court for the District of Delaware.

--Editing by Steven Edelstone.

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