

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

In re:

CHARACTER TECHNOLOGIES, INC.,¹

Debtor.

Chapter 11

Case No. 26-11603 ([____])

**DEBTOR’S MOTION SEEKING ENTRY OF AN ORDER (I) RESTATING
AND ENFORCING THE WORLDWIDE AUTOMATIC STAY,
ANTI-DISCRIMINATION PROVISIONS, AND *IPSO FACTO* PROTECTIONS
OF THE BANKRUPTCY CODE, (II) APPROVING THE FORM
AND MANNER OF NOTICE, AND (III) GRANTING RELATED RELIEF**

The debtor and debtor in possession in the above-captioned case (the “Debtor”) hereby submits this motion (the “Motion”) for entry of an order granting the relief described below. In support hereof, the Debtor relies on the *Declaration of Colin M. Adams in Support of the Debtor’s Chapter 11 Petition and First Day Motions* (the “First Day Declaration”)² filed concurrently herewith and incorporated by reference, and further represents as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012. Pursuant to rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtor confirms its consent to the entry of a final order by the Court in connection with this Motion to the extent that

¹ The Debtor and the last four digits of its taxpayer identification number are: Character Technologies, Inc. (8842). The Debtor’s mailing address for purposes of the chapter 11 case is 700 El Camino Real, Suite 120, P.O. Box 1152, Menlo Park, CA 94025.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this chapter 11 case and this Motion is proper in this district under 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a), 362, 365, and 525 of title 11 of the United States Code, as amended (the “Bankruptcy Code”) and Local Rules 2002-1 and 9013-1.

RELIEF REQUESTED

4. The Debtor respectfully requests entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”): (i) restating and enforcing the worldwide automatic stay, anti-discrimination provisions, and *ipso facto* protections of the Bankruptcy Code (collectively, the “Code Protections”); (ii) approving the form and manner of notice related thereto, substantially in the form attached as **Exhibit 1** to the Order (the “Notice”); and (iii) granting related relief.

5. The Debtor also seeks authority, but not direction, to translate this Motion, the Order, and/or the Notice into other languages to better inform creditors, governmental units, and interested parties of the relief requested herein.

BACKGROUND

6. On October 12, 2026 (the “Petition Date”), the Debtor filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. The Debtor is operating its business and managing its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in this chapter 11 case, and no official committee of unsecured creditors has been appointed in this chapter 11 case.

7. The Debtor is a first in kind artificial intelligence (“AI”) entertainment platform that allows users to have immersive, multimodal experiences with fictional or imagined characters. What started as a platform to have one-on-one chats tailored to user preferences, has evolved to become a category leader in entertainment AI. Today, the Character.AI platform generates stunning visuals that become part of a story, creates dynamic video content with AI characters, and actively augments videos and stories with rich audio experiences to enhance immersion. In its 4-year lifespan as an active platform, Character has amassed a large and engaged user base. The burgeoning and evolving field of AI entertainment, however, has proven to be costly to develop and grow. These high costs, coupled with potential litigation related liabilities and regulatory engagement have contributed to the Debtor’s inability to generate sufficient cash flows to support its business in the present form. The Debtor has commenced this case to engage in value-maximizing transactions for the benefit of its stakeholders.

8. Additional factual background regarding the Debtor, including its business operations, its corporate and capital structure, and the events leading to the filing of this chapter 11 case, is set forth in detail in the First Day Declaration and incorporated herein by reference.

9. The Debtor operates an online platform and application that hosts tens of millions of users across the globe. The Debtor’s platform is available for anyone, of an appropriate age, with access to an internet browser and an email address. The application is available through the Google and Apple App Stores. The Debtor’s operations routinely involve interactions with users, and occasionally involve interactions with certain governmental entities, who are based outside of the United States (collectively, the “Non-U.S. Persons”).

10. Certain of the Non-U.S. Persons may be unfamiliar with the chapter 11 process, including the scope of a debtor in possession’s authority to operate its business and the imposition

of the automatic stay. These creditors, and others, may attempt to take or continue actions against the Debtor outside of the United States in violation of the automatic stay to the detriment of the Debtor, its estate, and all other creditors. Any such unilateral self-help action would adversely affect the Debtor's ability to effectuate its chapter 11 objectives, resulting in irreparable harm to the Debtor's estate and parties in interest.

11. Out of an abundance of caution and to assist it in better informing parties outside of the United States of the broad protections offered by the Bankruptcy Code, the Debtor respectfully requests that the Court enter the Proposed Order. For the avoidance of doubt, the Debtor does not seek to expand or enlarge the rights afforded to it under the Bankruptcy Code. The Debtor believes that an order from this Court confirming the nature and extent of certain protections afforded to the Debtor by the Bankruptcy Code will provide clarity for and help dissuade foreign parties in interest from taking improper actions against the Debtor and its property by giving the Debtor the best chance to achieve its chapter 11 objectives.

BASIS FOR RELIEF REQUESTED

I. CONFIRMING THE PROTECTIONS OF THE AUTOMATIC STAY IN SECTION 362 OF THE BANKRUPTCY CODE

12. As a result of the commencement of this chapter 11 case, the automatic stay imposed pursuant to section 362 of the Bankruptcy Code generally enjoins all persons and governmental units from, among other things: (a) commencing or continuing any judicial, administrative, or other proceeding against the Debtor that was or could have been commenced prior to the Petition Date; (b) taking any action to collect, assess, recover, or otherwise enforce a claim against the Debtor that arose prepetition; or (c) acting to obtain possession of, or exercise control over, property of the Debtor's estate. *See* 11 U.S.C. §§ 362(a)(1), (3), (6).

13. The automatic stay is a fundamental element of the United States bankruptcy regime and a core protection for any chapter 11 debtor, providing a breathing spell from its creditors, which, in combination with other provisions of the Bankruptcy Code, is essential to a debtor's ability to achieve its chapter 11 objectives. *See, e.g., Borman v. Raymark Indus., Inc.*, 946 F.2d 1031, 1033 (3d Cir. 1991) ("The automatic stay was intended to give the debtor 'a breathing spell from his creditors.'") (internal citation omitted); *Mar. Elec. Co., Inc. v. United Jersey Bank*, 959 F.2d 1194, 1204 (3d Cir. 1991) ("[The automatic stay] gives a [debtor] a breathing spell from creditors by stopping all collection efforts, all harassment, and all foreclosure actions").

14. The automatic stay becomes effective immediately upon the filing of a bankruptcy case and applies worldwide. *See In re Nortel Networks, Inc.*, F.3d 128, 138 (3d Cir. 2011) ("Since 1987, United States courts have uniformly upheld the extraterritorial application of the automatic stay.") (citation omitted); *In re Soundview Elite, Ltd.*, 503 B.R. 571, 584 (Bankr. S.D.N.Y. 2014) ("U.S. law is clear that immediately upon the filing of the Debtors' chapter 11 petition, the U.S. automatic stay became effective, both in the U.S. and extraterritorially.") (internal citations omitted).

15. Creditors that violate the automatic stay may face sanctions by the Court, whether such violations occur within the territorial jurisdiction of the United States or abroad. Domestic and foreign creditors unfamiliar with the automatic stay or the scope thereof, however, may attempt to proceed against the Debtor's property, business, operations, or assets despite the commencement of this chapter 11 case and the potential for sanctions. Any such unilateral self-help action would adversely affect the Debtor's ability to effectuate its value-maximizing wind-down activities and related chapter 11 objectives, resulting in irreparable harm to the Debtor's estate and parties in

interest. Accordingly, the Debtor believes that a Court order is necessary and appropriate to reinforce creditor compliance with the automatic stay.

II. CONFIRMING THE INJUNCTION OF GOVERNMENTAL ACTION UNDER SECTION 525 OF THE BANKRUPTCY CODE

16. Section 525 of the Bankruptcy Code prohibits governmental units from, among other things: (a) denying, revoking, suspending, or refusing to “renew a[ny] license, permit, charter, franchise, or other similar grant” to a debtor; (b) placing conditions upon such a grant to the debtor; or (c) discriminating against the debtor with respect to such a grant, solely because a debtor is a debtor under the Bankruptcy Code, may have “been insolvent before the commencement” of its chapter 11 cases, or is insolvent during the pendency of its chapter 11 case. *See* 11 U.S.C. § 525(a); *see also FCC v. NextWave Pers. Commc’ns Inc.*, 537 U.S. 293, 307 (2003) (“The government is not to revoke a bankruptcy debtor’s license [under section 525(a) of the Bankruptcy Code] solely because of a failure to pay his debts.”). The Bankruptcy Code includes in the definition of “governmental unit” a foreign state, a department, agency, or instrumentality of a foreign state, and other foreign governments. *See* 11 U.S.C. § 101(27).

17. The Debtor operates in certain foreign states, and any actions by such states in violation of section 525 would adversely affect the Debtor’s operations and chapter 11 objectives. The Debtor believes a Court order affirming the prohibition against such actions is necessary and appropriate to discourage foreign states from discriminating against the Debtor.

III. CONFIRMING THE INVALIDATION OF *IPSO FACTO* PROVISIONS UNDER SECTION 365 OF THE BANKRUPTCY CODE AND OTHER CONTRACTUAL RIGHTS

18. The automatic stay precludes unilateral actions by non-debtor parties to terminate contracts without a court order. *See, e.g., Bonneville Power Admin. v. Mirant Corp. (In re Mirant Corp.)*, 440 F.3d 238 (5th Cir. 2006) (noting that non-debtor termination of agreement was

prohibited by the automatic stay and required court approval under section 362(d)). Moreover, “[c]ourts have consistently held that contract rights are property of the estate.” *In re Enron Corp.*, 300 B.R. 201, 212 (Bankr. S.D.N.Y. 2003) (quoting *Elder-Beerman Stores Corp. v. Thomasville Furniture Indus., Inc. (In re Elder-Beerman Stores Corp.)*, 195 B.R. 1019, 1023 (Bankr. S.D. Ohio 1996)); *see also* 11 U.S.C. § 362(a)(3) (prohibiting any act to exercise control over property of the estate). The Bankruptcy Code prohibits a debtor’s counterparties from modifying or terminating contracts with the debtor absent court approval, subject to certain express statutory exceptions. *See NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 531 (1984) (holding that while the debtor may enforce the terms of the contract against the creditor, the creditor is “precluded from . . . enforcing the contract terms” of an executory contract prior to assumption by the debtor).

19. Section 365(e)(1)(B) of the Bankruptcy Code prohibits counterparties to contracts with the debtor from terminating or modifying such contracts, including any right or obligation thereunder, solely because of a provision in such contract or lease that is conditioned on: (a) the insolvency or financial condition of a debtor at any time before the closing of the debtor’s chapter 11 case; (b) the commencement of the debtor’s chapter 11 case; or (c) the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or a custodian before such commencement. *See* 11 U.S.C. § 365(e)(1). A debtor’s counterparties must therefore continue to perform under executory contracts until they are assumed or rejected. *See In re El Paso Refinery, L.P.*, 196 B.R. 58, 72 (Bankr. W.D. Tex. 1996) (“[T]he [Bankruptcy] Code places an independent duty on the non-debtor to continue the performance of an executory contract until it is assumed or rejected.”).

20. Thus, section 365(e) of the Bankruptcy Code invalidates so-called contractual *ipso facto* provisions that provide for the termination of a contract based solely upon a party’s financial

condition. Nevertheless, the Debtor believes that, upon learning of the commencement of this chapter 11 case, counterparties to executory contracts or unexpired leases with the Debtor may purport to terminate such executory contracts or unexpired leases in violation of sections 362(a) and 365 of the Bankruptcy Code. Any such action would harm the Debtor's ability to effectuate its value-maximizing wind-down activities and related chapter 11 objectives. Accordingly, the Debtor believes that a court order confirming the applicability of sections 362 and 365 of the Bankruptcy Code to the Debtor's executory contracts and unexpired leases is necessary and appropriate.

IV. REAFFIRMATION THAT EACH OF THE CODE PROTECTIONS IS ESSENTIAL TO ORDERLY ADMINISTER THE BANKRUPTCY ESTATE

21. Each of the Code Protections constitutes a fundamental debtor protection that, in combination with other provisions of the Bankruptcy Code, provides a debtor with the “breathing spell” necessary to maximize and preserve enterprise value for the benefit of its stakeholders. These protections extend to a debtor's property, contracts, and regulatory rights and privileges wherever they are located and by whomever they are held. 11 U.S.C. § 541(a) (“The commencement of a case under section 301 . . . of this title creates an estate. Such estate is comprised of all the following property, wherever located and by whomever held[.]” (emphasis added)).

22. Notwithstanding the automatic and global nature of these Code Protections, it is sometimes necessary to advise parties of the existence, scope, and effect of sections 362, 365, and 525 of the Bankruptcy Code through a separate court order. Such an order is appropriate in this chapter 11 case because the Debtor's operations are dependent upon, among other things, the uninterrupted performance by counterparties to contracts with the Debtor (including contractual relationships with foreign entities operating in foreign jurisdictions). The Debtor believes that

many of the third parties subject to the Bankruptcy Code may be unaware of or misapprehend the scope of the Code Protections. Accordingly, the Debtor respectfully requests that the Court issue the Order. The Debtor believes that the entry of the Order, which the Debtor will be able to transmit to affected parties, will inure to the benefit of the Debtor and its stakeholders by confirming the protections afforded by sections 362, 365, and 525 of the Bankruptcy Code.

V. SECTION 105(a) OF THE BANKRUPTCY CODE AUTHORIZES THE REQUESTED RELIEF

23. Section 105(a) of the Bankruptcy Code permits the court to issue “any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title,” including an injunction. 11 U.S.C. § 105(a); *see also In re LTL Mgmt., LLC*, 638 B.R. 291, 319 (Bankr. D.N.J. 2022) (describing section 105(a) of the Bankruptcy Code as authorizing the issuance of an injunction); *U.S. v. Sutton*, 786 F.2d 1305, 1307 (5th Cir. 1986) (“Section 105(a) simply authorizes a bankruptcy court to fashion such orders as are necessary to further the purposes of the substantive provisions of the Bankruptcy Code.”).

24. Granting the relief requested herein will better enable the Debtor to inform foreign parties in interest, including Non-U.S. Persons, of Code Protections that may be unfamiliar to them and will dissuade foreign creditors, counterparties, and governmental units from violating the Bankruptcy Code.

25. Given the vulnerability of the Debtor’s business and operations to immediate disruption if any party violates the Code Protections, the Debtor seeks authority to immediately serve or file the Notice substantially in the form attached hereto as **Exhibit 1** to the Proposed Order.

26. Bankruptcy courts in this jurisdiction and others have entered similar orders restating and enforcing the protections set forth in sections 362, 365, and 525 of the Bankruptcy

Code under comparable circumstances. *See, e.g., In re Casa Sys., Inc.*, No. 24-10695 (KBO) (Bankr. D. Del. Apr. 5, 2024) (restating and enforcing the worldwide automatic stay, anti-discrimination provisions, and ipso facto provisions of the Bankruptcy Code); *In re WOM S.A.*, No. 24-10628 (KBO) (Bankr. D. Del. Apr. 3, 2024) (same); *In re WeWork Inc.*, No. 23-19865 (JKS) (Bankr. D. N.J. Nov. 9, 2023) (same); *In re Amyris, Inc.*, No. 23-11131 (TMH) (Bankr. D. Del. Aug. 11, 2023) (same); *In re Akorn, Inc.*, No. 20-11177 (KBO) (Bankr. D. Del. May 22, 2020) (same). Given the critical importance of ensuring that the Debtor's operations are not undermined by noncompliance with U.S. bankruptcy law, similar relief is appropriate here.

RESERVATION OF RIGHTS

27. Notwithstanding anything to the contrary herein, nothing contained in this Motion or any actions taken pursuant to any order granting the relief requested by this Motion (including any payment made in accordance with any such order), is intended as or shall be construed or deemed to be:

- a. an implication or admission as to the amount of, basis for, or validity of any particular claim against the Debtor under the Bankruptcy Code or other applicable non-bankruptcy law;
- b. a waiver of the Debtor's or any other party in interest's rights to dispute any particular claim on any grounds;
- c. a promise or requirement to pay any particular claim;
- d. an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this motion or any order granting the relief requested by this motion;
- e. a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code;
- f. an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtor's estate;

- g. a waiver or limitation of the Debtor's or any other party in interest's claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law;
- h. an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code;
- i. a concession by the Debtor that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens;
- j. a waiver of the obligation of any party in interest to file a proof of claim; or
- k. otherwise affecting the Debtor's rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease.

NOTICE

28. The Debtor will provide notice of this Motion to: (a) the U.S. Trustee; (b) the United States Attorney's Office for the District of Delaware; (c) the state attorneys general for all states in which the Debtor conducts business; (d) the Internal Revenue Service; (e) the Top 20 Creditors List; (f) the United States Securities and Exchange Commission; (g) the United States Department of Justice; (h) counsel to Disney; (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtor will serve copies of this Motion and any order entered in respect hereto as required by Local Rule 9013-1(m). The Debtor respectfully submits that, in light of the nature of the relief requested, no further notice is necessary.

NO PRIOR REQUEST

29. No prior request for the relief sought in this Motion has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtor respectfully requests entry of the Proposed Order substantially in the form annexed hereto as **Exhibit A** granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: October 13, 2026
Wilmington, Delaware

WILSON SONSINI GOODRICH & ROSATI, P.C.

/s/ Erin R. Fay

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Proposed Counsel to the Debtor and Debtor in Possession

Exhibit A

Proposed Order

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

In re:

CHARACTER TECHNOLOGIES, INC.,¹

Debtor.

Chapter 11

Case No. 26-11603 ([____])

Ref. Docket No. ____

**ORDER (I) RESTATING AND ENFORCING THE WORLDWIDE AUTOMATIC
STAY, ANTI-DISCRIMINATION PROVISIONS, AND *IPSO FACTO*
PROTECTIONS OF THE BANKRUPTCY CODE, (II) APPROVING THE
FORM AND MANNER OF NOTICE, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtor and debtor in possession (the “Debtor”) for entry of an order (this “Order”) (a) restating and enforcing the worldwide automatic stay, anti-discrimination provisions, and *ipso facto* protections of the Bankruptcy Code, (b) approving the form and manner of notice, and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the United States District Court for the District of Delaware having jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the Court under 28 U.S.C. § 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors, and

¹ The Debtor and the last four digits of its taxpayer identification number are: Character Technologies, Inc. (8842). The Debtor’s mailing address for purposes of the chapter 11 case is 700 El Camino Real, Suite 120, P.O. Box 1152, Menlo Park, CA 94025.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

other parties in interest; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein, if any, at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Unless otherwise allowed pursuant to a separate order of the Court, pursuant to section 362 of the Bankruptcy Code, all entities, including persons (including individuals, partnerships, corporations, and other entities and all those acting on their behalf) and governmental units, whether of the United States, any state or locality therein or any territory or possession thereof, or any other jurisdiction (including any division, department, agency, instrumentality or service thereof, and all those acting on their behalf), are hereby stayed, restrained, and enjoined from:

- a. commencing or continuing (including the issuance or employment of process) any judicial, administrative, or other action or proceeding against the Debtor that was or could have been commenced before the commencement of the Debtor's chapter 11 case or recovering a claim against the Debtor that arose before the commencement of the Debtor's chapter 11 case;
- b. enforcing, against the Debtor or against property of the estate, a judgment or order obtained before the commencement of the Debtor's chapter 11 case;
- c. taking any action, whether inside or outside of the United States, to obtain possession of property of the Debtor's estate, wherever located (including,

but not limited to, leased vehicles, leased facilities, and fixtures or tenant improvements to such facilities), or to exercise control over property of the estate or interfere in any way with the conduct by the Debtor of its businesses, including, without limitation, attempts to interfere with the Debtor's online operations, or any other assets in which the Debtor has legal or equitable interests;

- d. taking any action to create, perfect, or enforce any lien against the property of the Debtor's estate;
- e. taking any action to create, perfect, or enforce against property of the Debtor any lien to the extent that such lien secures a claim that arose prior to the commencement of the Debtor's chapter 11 case;
- f. taking any action to collect, assess, or recover a claim against the Debtor that arose prior to the commencement of the Debtor's chapter 11 case;
- g. offsetting any debt owing to the Debtor that arose before the commencement of the Debtor's chapter 11 case against any claim against the Debtor; and
- h. commencing or continuing any proceeding before the United States Tax Court concerning the Debtor, subject to the provisions of 11 U.S.C. § 362(b).

3. Pursuant to sections 362 and 365 of the Bankruptcy Code, notwithstanding a provision in a contract or lease or any applicable law, all persons are hereby stayed, restrained, and enjoined from terminating or modifying any and all contracts and leases to which the Debtor is a party or signatory, at any time after the commencement of this chapter 11 case, solely because of a provision in such contract or lease that is conditioned on the (a) insolvency or financial condition of the Debtor at any time before the closing of this chapter 11 case or (b) commencement of this chapter 11 case.

4. Pursuant to section 525 of the Bankruptcy Code, all governmental units and other regulatory authorities are prohibited and enjoined from: (a) denying, revoking, suspending, or refusing to renew any license, permit, charter, franchise, or other similar grant to the Debtor; (b) placing conditions upon such a grant to the Debtor; or (c) discriminating against the Debtor

with respect to such a grant, solely because the Debtor is a debtor under the Bankruptcy Code, may have been insolvent before the commencement of this chapter 11 case, or is insolvent during the pendency of this chapter 11 case.

5. For the avoidance of doubt, this Order does not expand or enlarge the rights afforded to the Debtor under the Bankruptcy Code.

6. This Order is declarative and is intended to be coterminous with sections 362, 365, 525, 1107, and 1108 of the Bankruptcy Code. Nothing in this Order shall abridge, enlarge, or otherwise affect (a) the rights of any party or the availability of any of the exceptions contained in the Bankruptcy Code (including without limitation sections 362(b) and 365(e)(1)), (b) the right of any party in interest to seek relief from the worldwide automatic stay in accordance with section 362(d) of the Bankruptcy Code or with respect to an executory contract or unexpired lease under section 365 of the Bankruptcy Code, or (c) the right of any utility under section 366(c)(4) of the Bankruptcy Code.

7. The form and manner of notice (the “Notice”) attached hereto as **Exhibit 1** is approved. The Debtor is authorized and directed to serve the Notice upon creditors, governmental units, or other regulatory authorities and/or interested parties wherever located.

8. The Debtor is authorized, but not directed, to procure and provide true and correct foreign-language translations of the Motion, this Order, the Notice, or any other materials filed in this chapter 11 case to any foreign party in interest at the Debtor’s discretion.

9. Nothing in this Order or the Motion shall constitute a rejection or assumption by the Debtor, as debtor in possession, of any executory contract or unexpired lease.

10. Nothing in this Order shall prohibit the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit’s police and regulatory

power to the extent such action or proceeding is not otherwise stayed or prohibited under applicable law.

11. This Order remains subject to section 362 of the Bankruptcy Code, including its exceptions.

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

13. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

14. Nothing contained in the Motion or this Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtor under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtor's or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtor's estate; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtor or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

Exhibit 1

Form of Notice

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

In re:

CHARACTER TECHNOLOGIES, INC.,¹

Debtor.

Chapter 11

Case No. 26-11603 ([____])

**NOTICE OF ENTRY OF AN ORDER (I) RESTATING AND ENFORCING THE
WORLDWIDE AUTOMATIC STAY, ANTI-DISCRIMINATION PROVISIONS, AND
IPSO FACTO PROTECTIONS OF THE BANKRUPTCY CODE, (II) APPROVING
THE FORM AND MANNER OF NOTICE, AND (III) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that on October 12, 2026 (the “Petition Date”), the above-captioned debtor and debtor in possession (the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”). The Debtor’s chapter 11 case is pending before the Honorable Judge [____], United States Bankruptcy Judge.

PLEASE TAKE FURTHER NOTICE that, on [____], 2026, the Court entered the *Order (I) Restating and Enforcing the Worldwide Automatic Stay, Anti-Discrimination Provisions, and Ipso Facto Protections of the Bankruptcy Code, (II) Approving the Form and Manner of Notice, and (III) Granting Related Relief* (the “Order”) [Docket No. [____]], a copy of which is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that pursuant to section 362(a) of the Bankruptcy Code and confirmed by the Order, the Debtor’s filing of the voluntary petition operates as a self-executing, statutory stay or injunction, applicable to all entities, and protects the Debtor from,

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among other things: (i) the commencement or continuation of a judicial, administrative, or other action or proceeding against the Debtor (a) that was or could have been commenced before the commencement of the Debtor's chapter 11 case or (b) to recover a claim against the Debtor that arose before the commencement of the Debtor's chapter 11 case; (ii) the enforcement, against the Debtor or against any property of the Debtor's bankruptcy estate, of a judgment obtained before the commencement of the Debtor's chapter 11 case; or (iii) any act to obtain possession of property of or from the Debtor's bankruptcy estate, or to exercise control over property of the Debtor's bankruptcy estate.² This means that creditors generally may not take action to collect debts from the Debtor or the Debtor's property. For example, while the stay is in effect, creditors cannot sue, assert a deficiency, repossess property, or otherwise try to collect from the Debtor on account of a prepetition claim. Creditors cannot demand repayment from the Debtor by mail, phone, or otherwise. Creditors who violate the stay can be held in contempt and required to pay damages and attorney's fees.

PLEASE TAKE FURTHER NOTICE that any entity that seeks to assert claims, interests, causes of action, or other legal or equitable remedies against, or otherwise exercise any rights in law or equity against the Debtor or its estate, must do so before the Court in the Debtor's chapter 11 case.

PLEASE TAKE FURTHER NOTICE that pursuant to section 525 of the Bankruptcy Code and confirmed by the Order, any governmental agency, department, division or subdivision, or any similar governing authority is prohibited from, among other things: (i) denying, revoking, suspending, or refusing to renew any license, permit, charter, franchise, or other similar grant to

² Nothing herein shall constitute a waiver of the right to assert any claims, counterclaims, defenses, rights of setoff, or recoupment or any other claims of the Debtor against any party to the above-captioned case. The Debtor expressly reserves the right to contest any claims which may be asserted against the Debtor.

the Debtor; (ii) placing conditions upon such a grant to the Debtor; or (iii) discriminating against the Debtor with respect to such a grant, solely because the Debtor is a debtor under the Bankruptcy Code, may have been insolvent before the commencement of this chapter 11 case, or is insolvent during the pendency of this chapter 11 case, except as permitted by the Court under applicable law.

PLEASE TAKE FURTHER NOTICE that pursuant to section 365(e)(1) of the Bankruptcy Code and confirmed by the Order, parties to contracts or agreements with the Debtor are prohibited from terminating such contracts or agreements because of a Debtor's bankruptcy filing, except as permitted by the Court under applicable law.

PLEASE TAKE FURTHER NOTICE that pursuant to sections 105(a) and 362 of the Bankruptcy Code and rule 9020 of the Federal Rules of Bankruptcy Procedure, among other applicable substantive law and rules of procedure, any person or governmental unit seeking to assert its rights or obtain relief in violation of the Order, the Bankruptcy Code, and applicable law may be subject to proceedings in front of the Court for failure to comply with the Order and applicable law, including contempt proceedings resulting in fines, sanctions, and punitive damages against the entity and its assets inside the United States.

PLEASE TAKE FURTHER NOTICE that the Order does not expand or enlarge the rights afforded to the Debtor under the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that additional information regarding the Debtor's chapter 11 case, including copies of pleadings filed therein, may be obtained by: (i) reviewing the publicly available docket of the Debtor's chapter 11 case at <http://www.deb.uscourts.gov> (PACER login and password required); (ii) accessing the Debtor's publicly available website providing

information regarding this chapter 11 case, located online at <https://cases.stretto.com/chartech>; or

(iii) contacting the following proposed counsel for the Debtor.

Dated: October [●], 2026
Wilmington, Delaware

WILSON SONSINI GOODRICH & ROSATI, P.C.

/s/ Draft

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Proposed Counsel to the Debtor and Debtor in Possession

Exhibit A
Order

(Intentionally Omitted)