FOR YOUR BANKRUPTCY COUNSEL

Data Asset Brief for Your Bankruptcy Counsel

A two-page summary to forward to debtor's counsel, a trustee or a turnaround advisor: what the asset is, how a sale would work, and the questions counsel will want answered.

From: Runway (getrunway.co) · **Re:** Potential sale or license of de-identified operational data as estate property

1. The asset

The company's operational records (chat, email, documents and wikis, CRM/ERP, tickets and SOPs) have a market among AI developers, who license de-identified examples of real business work for training and evaluating models. The usual structure is a **non-exclusive license of a de-identified copy**; the company keeps its systems and records. Illustrative range: up to $50K to $1M+, depending on scope, history, exclusions and demand. No price is promised.

2. Proposed process

1. Confidential intake and data inventory; contract and privacy screen with counsel.
2. De-identification; redacted samples only to prospective buyers under NDA.
3. Competitive marketing to multiple buyers; written bid summary.
4. Debtor's counsel files a motion under § 363(b) (or the trustee's motion in Chapter 7), with supporting declaration; or the sale is built into a plan.
5. Notice (generally 21 days under Rule 2002(a)(2) unless shortened), hearing, order; delivery and payment to the estate.

3. Issues counsel will want to review

- **Ordinary course.** Whether the transaction is outside the ordinary course (usually yes) and needs § 363(b) approval.

- **Liens and cash collateral.** Whether DIP or pre-petition liens cover general intangibles and proceeds; consent and use under § 363(c)(2) and existing orders; DIP budget and milestones.
- **Privacy.** The privacy policy in effect at filing; whether consumer PII under § 101(41A) is involved; whether § 363(b)(1) requires consistency with the policy or a consumer privacy ombudsman under § 332; state privacy laws and FTC Act considerations.
- **Contracts.** Customer and vendor confidentiality obligations, NDAs, data processing agreements, and platform terms; exclusions to respect them.
- **Privilege.** Excluding privileged communications.
- **Professional retention and fees.** Whether retention under § 327/§ 328 or another approval is needed for any broker or advisor fee, and how it's disclosed.
- **Interaction with other sales.** Sequencing with any going-concern sale; disclosure of the license to bidders.
- **Good faith.** Arm's-length negotiation and disclosure supporting a § 363(m) finding; no collusive bidding (§ 363(n)).

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4. What we provide counsel (templates for counsel's review)

- Data-asset description and exclusions schedule
- Marketing record and bid summary
- De-identification and privacy memo (factual, for counsel's analysis)
- Form of declaration in support of the motion
- Proposed-order findings checklist

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5. Economics

No upfront cost to the estate. Any fee is paid only from a closed transaction, disclosed in the sale papers, and subject to court approval where required. Proceeds are paid to the estate.

> **Not legal advice.** General information for counsel's evaluation. Runway is not a law firm. Templates are starting points to be reviewed and adapted by counsel. No representation is made as to price, timing or court approval.

Contact: offer@getrunway.co · getrunway.co/valuation/