

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:	:	Chapter 11
	:	
COLT HOLDING COMPANY LLC, <i>et al.</i> , ¹	:	Case No. 15-11296 (LSS)
	:	
Debtors.	:	Jointly Administered
	:	
	:	

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**DECLARATION OF DANIEL J. STANDEN IN SUPPORT OF
DEBTORS' EXPEDITED MOTION FOR APPROVAL OF MODIFICATIONS
TO DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE AND RELATED PLAN DOCUMENTS**

I, Daniel J. Standen, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true and correct to the best of my knowledge, information and belief:

1. I am a principal of Sciens Capital Management, LLC (“**Sciens**”) as well as the Chairman of the Governing Board of Colt Holding Company LLC (“**Colt Holding**”), a debtor and parent of its affiliated debtors and debtors in possession (collectively, the “**Debtors**”).

2. I submit this declaration (this “**Declaration**”) in support of the Debtors’ expedited motion for approval of modifications to the Debtors’ Second Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code and Related Plan Documents (the “**Motion**”),² filed contemporaneously herewith by the Debtors. Except as otherwise indicated, I

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are Colt Holding Company LLC (0094); Colt Security LLC (4276); Colt Defense LLC (1950); Colt Finance Corp. (7687); New Colt Holding Corp. (6913); Colt’s Manufacturing Company LLC (9139); Colt Defense Technical Services LLC (8809); Colt Canada Corporation (5534); Colt International Coöperatief U.A. (6822); and CDH II Holdco Inc. (1782). The address of the Debtors’ corporate headquarters is: 547 New Park Avenue, West Hartford, Connecticut 06110.

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



have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.

3. Sciens is an asset management firm that, through its affiliates, controls a substantial majority of the Debtors' existing equity interests. It and its predecessor together have held this controlling interest for over 20 years, having originally acquired the assets of Colt's business out of bankruptcy in 1994. During Sciens' lengthy ownership of Colt, Sciens has provided invaluable capital investments, management consulting services and management team support and, as a result, has helped Colt continue its long tradition as one of the premier manufacturers of firearms for the United States and foreign governments.

4. The existing equity interests in the Debtors held by Sciens' affiliates will be cancelled pursuant to the Confirmed Plan. However, Sciens strongly believes that the Debtors' business is worth saving and has therefore agreed to help fund the Debtors' exit from chapter 11 by participating in the Offering. In this respect, Sciens helped negotiate and became a party to the RSA. Sciens thereafter worked in good faith with the Debtors, the Consortium, the Committee, the Debtors' lenders, NPA and the Debtors' other constituencies to formulate and support confirmation of the Confirmed Plan. Sciens also became party to the ECA, which governs the terms and procedures of the Offering. Under the ECA, the parties to the Offering, including Sciens, were required to fund their respective portions of the Offering by December 28, 2015, or within a subsequent cure period.

5. While the other investors involved in the Offering generally have committed funds to invest, Sciens raises money separately for each investment of this type that it makes. In order to raise funds from its investors, and before Sciens' investors will consider and commit to an investment, generally all relevant documentation for an investment must be

completed. In this case, documentation governing the terms of the investment have been ongoing, and in fact, are still not completed. Rather than seeking to delay closing significantly to accommodate its investment protocol, Sciens negotiated an agreement whereby Sciens could delay its investment for a relatively short period of time. This will allow the restructuring to close promptly, while still allowing Sciens to participate. The Debtors, the Consortium and other parties understood and consented to a process that will allow Sciens to provide the Debtors with funding on a timely yet achievable basis.

6. Specifically, the Modifications provide that, among other things:

- Sciens may fund at least \$1 million (such amount, the “Sciens Initial Funding Amount”) by 5:00 p.m. (Eastern Standard Time) on January 8, 2016 (the “First Funding Date”); and
- If Sciens funds at least \$2.6 million (the “Sciens Threshold Funding Amount”) by the First Funding Date, Sciens will have the opportunity to participate in a second funding to take place by 5:00 p.m. (Eastern Standard Time) on February 8, 2016, pursuant to which Sciens would have the opportunity to fund an additional amount equal to up to the lesser of (x) \$10,000,000, or (y) the maximum amount which shall not cause the aggregate amount of Sciens’ commitment under the Offering to exceed \$15 million.
- In addition, the Modifications provide the Debtors, its lenders and the other investors in the Offering with greater certainty with respect to the West Hartford Facility Lease and as to the timing of emergence from chapter 11, regardless of the extent that Sciens participates in the Offering.


7. In light of the additional breathing room provided by the Modifications, Sciens fully intends to be in a position to fund at least \$2.6 million by the January 8, 2016 deadline and has every intention of funding additional amounts by the February 8, 2016

subsequent deadline. As Sciens' track record shows, Sciens is committed to the Debtors' business and will continue to support the Debtors and work in good faith with the other Plan Support Parties to facilitate the consummation of the Plan.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct, to the best of my knowledge and belief.

Executed this 5th day of January, 2016.



Daniel J. Standen
Sciens Capital Management, LLC