

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re KALOBIOS PHARMACEUTICALS, INC., Debtor. ¹	Chapter 11 Case No. 15-12628 (LSS)
GREGORY REA, RTAT LLC, EDWARD H. PAINTER, NANCY RETZLAFF, ARMISTICE CAPITAL MASTER FUND, LTD, ANDREW PIZZO, AND SABINE GRITTI, Plaintiffs, v. KALOBIOS PHARMACEUTICALS, INC., Defendant.	Adv. Case No. 16-50001 (LSS)

NOTICE OF **AMENDED**² AGENDA OF MATTERS SCHEDULED FOR
HEARING ON MAY 6, 2016 AT 9:30 A.M. (EASTERN TIME)³

MATTERS GOING FORWARD

1. First Monthly Application Of Hogan Lovells US LLP, As Bankruptcy Co-Counsel For The Debtor, For Allowance Of Interim Compensation And For Interim Reimbursement Of All Actual And Necessary Expenses Incurred For The Period December 30, 2015 Through January 31, 2016 (D.I. 220, Filed 3/1/16).

Objection Deadline: March 22, 2016 at 4:00 p.m. (ET).

Responses Received:

¹ The last four digits of the Debtor's federal tax identification number are 7236. The Debtor's address is 1000 Marina Blvd, #250, Brisbane, CA 94005-1878.

² **Modifications to the Notice of Agenda of Matters are indicated in bold text.**

³ The hearing will be held before Judge Laurie S. Silverstein at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Courtroom #2, Wilmington, Delaware 19801.

- a) Objection And Reservation Of Rights To First Monthly Application Of Hogan Lovells US LLP, As Bankruptcy Co-Counsel For The Debtor, For Allowance Of Interim Compensation And For Interim Reimbursement Of All Actual And Necessary Expenses Incurred For The Period December 30, 2015 Through January 31, 2016 (D.I. 288, Filed 3/22/16).
- b) Informal comments of U.S. Trustee.

Related Pleading:

- a) Notice Of Hearing (D.I. 316, Filed 4/7/16); and
- b) Certification Of Counsel In Connection With Consensual Resolution Between Hogan Lovells US LLP And The United States Trustee Regarding The First Monthly Fee Application Of Hogan Lovells US LLP (D.I. 396, Filed 5/4/16).

Status: If the PIPE Plaintiffs Settlement Motion (as defined below) is granted, this matter will be going forward on an uncontested basis.

- 2. First Monthly Application Of Morris, Nichols, Arsht & Tunnell LLP, As Delaware Bankruptcy Co-Counsel For The Debtor, For Allowance Of Interim Compensation And For Interim Reimbursement Of All Actual And Necessary Expenses Incurred For The Period December 29, 2015 Through January 31, 2016 (D.I. 221, Filed 3/1/16).

Objection Deadline: March 22, 2016 at 4:00 p.m. (ET).

Responses Received:

- a) Objection And Reservation Of Rights To First Monthly Application Of Hogan Lovells US LLP, As Bankruptcy Co-Counsel For The Debtor, For Allowance Of Interim Compensation And For Interim Reimbursement Of All Actual And Necessary Expenses Incurred For The Period December 30, 2015 Through January 31, 2016 (D.I. 288, Filed 3/22/16).
- b) Informal comments of U.S. Trustee.

Related Pleading:

- a) Notice Of Hearing (D.I. 316, Filed 4/7/16); and
- b) Certification Of Counsel In Connection With Consensual Resolution Between Morris Nichols Arsht & Tunnell LLP And The United States Trustee Regarding The First Monthly Fee Application Of Morris Nichols Arsht & Tunnell LLP (D.I. 397, Filed 5/4/16).

Status: If the PIPE Plaintiffs Settlement Motion is granted, this matter will be going forward on an uncontested basis.

3. Order: (I) Approving Amended Letter Of Intent And Amended Term Sheet, Each Dated March 18, 2016, With Nomis Bay Ltd And Funds Managed By Black Horse Capital LP, Black Horse Capital Master Fund Ltd. And Cheval Holdings, Ltd.; (II) Approving Bidding Procedures Governing Submission And Consideration Of Competing And Supplemental Plan Sponsorship Proposals; (III) Approving Breakup Fee; (IV) Scheduling And Authorizing The Debtor To Conduct An Auction Pursuant To Such Procedures; And (V) Granting Related Relief (D.I. 293, Entered 3/23/16) (the "Bid Procedures Order").

Related Pleadings:

- a) Notice Of Debtor's Designation Of Stalking Horse As Winning Bidder And Stalking Horse SPA As Winning Bid, In Each Instance For The Primary Plan Transaction (D.I. 379, Filed 4/27/16); and
- b) Notice Of Debtor's Designation Of Stalking Horse As Winning Bidder And Stalking Horse SPA As Winning Bid, In Each Instance For The Primary Plan Transaction (D.I. 398, Filed 5/4/16).

Status: In accordance with paragraphs C(5)(g) and (j) of the Bidding Procedures, the Debtor requests entry of the proposed order annexed as Exhibit B to the notice filed as Docket No. 398.

4. Plaintiffs' Motion For (I) Leave To File Amendments To Amended Complaint And (II) Relief From The Automatic Stay, To The Extent Applicable (D.I. 306, A.D.I. 34, Filed 4/1/16).

Objection Deadline: April 15, 2016 at 4:00 p.m. (ET).

Responses Received:

- a) Debtor's Brief In Opposition To The Motion Of Gregory Rea, RTAT LLC, Edward H. Painter, Nancy Retzlaff, Armistice Capital Master Fund, Ltd., Andrew Pizzo, And Sabine Gritti For (I) Leave To File Amendment To Amended Complaint And (II) Relief From The Automatic Stay, To The Extent Applicable (D.I. 342, A.D.I. 46; Filed 4/15/16).

Related Pleading:

- a) Memorandum Of Law In Support Of Plaintiffs' Motion For (I) Leave To File Amendments To Amended Complaint And (II) Relief From The Automatic Stay, To The Extent Applicable (D.I. 307, A.D.I. 35, Filed 4/1/16).

Status: If the PIPE Plaintiffs Settlement Motion is granted, this motion will be withdrawn.

5. Motion Of Womble Carlyle Sandridge & Rice, LLP To Withdraw As Counsel To Edward H. Painter (D.I. 323, A.D.I. 42, Filed 4/8/16).

Objection Deadline: April 21, 2016 at 4:00 p.m. (ET), extended for the Debtor to April 29, 2016.

Responses Received:

- a) **Informal comments received from Edward H. Painter.**

Related Pleading: None.

Status: **This matter is going forward.**

6. Debtor's Motion For Entry Of An Order (I) Approving The Adequacy Of The Disclosure Statement; (II) Establishing Record Date In Connection With Proposed Plan Of Reorganization; (III) Approving Solicitation Procedures; (IV) Approving Forms Of Ballots; (V) Approving Vote Tabulation Procedures; (VI) Establishing An Administrative Claims Bar Date; (VII) Determining The Appropriateness Of The Proposed Classification Set Forth In The Plan; (VIII) Scheduling Certain Dates With Respect Thereto; And (IX) Granting Related Relief (D.I. 343, Filed 4/15/16).

Objection Deadline: April 29, 2016 at 4:00 p.m. (ET).

Responses Received:

- a) Informal comments from the U.S. Trustee.
b) Informal comments from Stalking Horse entities.

Related Pleading:

- a) Debtor's Plan Of Reorganization (D.I. 318, Filed 4/7/16);
b) Disclosure Statement With Respect To The Plan Of Reorganization Of KaloBios Pharmaceuticals, Inc. Under Chapter 11 Of The Bankruptcy Code (D.I. 319, Filed 4/7/16);
c) Notice Of Hearing To Consider Approval Of Disclosure Statement (D.I. 321, Filed 4/7/16);

- d) Order Granting Debtor's Motion For Entry Of An Order Shortening The Objection Deadline And Notice Of The Hearing To Consider Approval Of Disclosure Statement (D.I. 322, Entered 4/8/16);
- e) Notice Of Withdrawal Of Debtor's Exhibit Seventeen To The Debtor's Motion For Entry Of An Order (I) Approving The Adequacy Of The Disclosure Statement; (II) Establishing Record Date In Connection With Proposed Plan Of Reorganization; (III) Approving Solicitation Procedures; (IV) Approving Forms Of Ballots; (V) Approving Vote Tabulation Procedures; (VI) Establishing An Administrative Claims Bar Date; (VII) Determining The Appropriateness Of The Proposed Classification Set Forth In The Plan; (VIII) Scheduling Certain Dates With Respect Thereto; And (IX) Granting Related Relief (D.I. 345, Filed 4/15/16);
- f) Debtor's First Amended Plan Of Reorganization (D.I. 366, Filed 4/25/16);
- g) [BLACKLINE] Debtor's First Amended Plan Of Reorganization (D.I. 367, Filed 4/25/16);
- h) Disclosure Statement With Respect To The First Amended Plan Of Reorganization Of KaloBios Pharmaceuticals, Inc. Under Chapter 11 Of The Bankruptcy Code (D.I. 368, Filed 4/25/16);
- i) [BLACKLINE] Disclosure Statement With Respect To The First Amended Plan Of Reorganization Of KaloBios Pharmaceuticals, Inc. Under Chapter 11 Of The Bankruptcy Code (D.I. 369, Filed 4/25/16);
- j) Notice Of Filing Of Clean And Blackline Versions Of The Debtor's Second Amended Plan Of Reorganization And Disclosure Statement With Respect To The Second Amended Plan Of Reorganization Of KaloBios Pharmaceuticals, Inc. Under Chapter 11 Of The Bankruptcy Code (D.I. 407; Filed 5/5/16);**
- k) Debtor's Second Amended Plan Of Reorganization (D.I. 407 Ex. A1; Filed 5/5/16);**
- l) [BLACKLINE] Debtor's Second Amended Plan Of Reorganization (D.I. 407 Ex. A2; Filed 5/5/16);**
- m) Disclosure Statement With Respect To Debtor's Second Amended Plan Of Reorganization Of KaloBios Pharmaceuticals, Inc. Under Chapter 11 Of The Bankruptcy Code (D.I. 407 Ex. B1; Filed 5/5/16);**

- n) **[BLACKLINE] Disclosure Statement With Respect To Debtor's Second Amended Plan Of Reorganization Of KaloBios Pharmaceuticals, Inc. Under Chapter 11 Of The Bankruptcy Code (D.I. 407 Ex. B2; Filed 5/5/16); and**
- o) **Notice of Filing of Revised Proposed Order (I) Approving The Adequacy Of The Disclosure Statement; (II) Establishing Record Date In Connection With Proposed Plan Of Reorganization; (III) Approving Solicitation Procedures; (IV) Approving Forms Of Ballots; (V) Approving Vote Tabulation Procedures; (VI) Establishing An Administrative Claims Bar Date; (VII) Determining The Appropriateness Of The Proposed Classification Set Forth In The Plan; (VIII) Scheduling Certain Dates With Respect Thereto; And (IX) Granting Related Relief (D.I. 408; 5/5/16).**

Status: This matter is going forward.

- 7. Debtor's Motion Pursuant To 11 U.S.C. § 105(a), 363, And 502 And Fed. R. Bankr. P. 9019 Approving Settlement Stipulation By And Between (I) The Debtor And (II) The Settling PIPE Plaintiffs (D.I. 389, A.D.I. 49, Filed 5/2/16) (the "PIPE Plaintiffs Settlement Motion").

Objection Deadline: May 5, 2016 at 12:00 p.m. (ET).

Responses Received:

- a) Informal comments of U.S. Trustee on PIPE Plaintiffs Settlement Motion;
- b) **Limited Objection Of Marek Biestek To Debtor's Motion Pursuant To 11 U.S.C. § 105(a), 363, And 502 And Fed. R. Bankr. P. 9019 Approving Settlement Stipulation By And Between (I) The Debtor And (II) The Settling PIPE Plaintiffs (D.I. 401, A.D.I. 54, Filed 5/5/16).**

Related Pleadings:

- a) Motion To Shorten Notice Regarding Debtor's Motion Pursuant To 11 U.S.C. § 105(a), 363, And 502 And Fed. R. Bankr. P. 9019 Approving Settlement Stipulation By And Between (I) The Debtor And (II) The Settling PIPE Plaintiffs (D.I. 390, A.D.I. 50, Filed 5/2/16);
- b) Order Regarding Debtor's Motion Pursuant To 11 U.S.C. § 105(a), 363, And 502 And Fed. R. Bankr. P. 9019 Approving Settlement Stipulation By And Between (I) The Debtor And (II) The Settling PIPE Plaintiffs (D.I. 391, A.D.I. 51, Entered 5/2/16); and
- c) Notice Of Hearing On Debtor's Motion Pursuant To 11 U.S.C. § 105(a), 363, And 502 And Fed. R. Bankr. P. 9019 Approving Settlement Stipulation By And

Between (I) The Debtor And (II) The Settling PIPE Plaintiffs (D.I. 392, A.D.I. 52, Filed 5/2/16).

Status: This matter is going forward.

Dated: May 5, 2016
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Marcy J. McLaughlin

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