SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

The Guardian Life Insurance Company of America; Park Avenue Institutional Advisers CLO Ltd. 2016-1; Park Avenue Institutional Advisers CLO Ltd. 2017-1; Park Avenue Institutional Advisers CLO Ltd. 2018-1; Park Avenue Institutional Advisers CLO Ltd. 2019-1; Park Avenue Institutional Advisers CLO Ltd. 2019-2; Marathon CLO V Ltd.; Marathon CLO VI Ltd.; Marathon CLO IX Ltd.; Portman Ridge Finance Corp.; Regatta VII Funding Ltd.; Regatta VIII Funding Ltd.; Regatta IX Funding Ltd.; Regatta X Funding Ltd.; Regatta XI Funding Ltd.; Regatta XII Funding Ltd.; Regatta XIII Funding Ltd.; Regatta XIV Funding Ltd.; Regatta XV Funding Ltd.; Regatta XVI Funding Ltd.; Regatta XVII Funding Ltd.; Regatta XVIII Funding Ltd.; Regatta XX Funding Ltd.; Regatta XXI Funding Ltd.; Regatta XXII Funding Ltd.; Regatta XXIII Funding Ltd.; Regatta XXIV Funding Ltd.; Z Capital Credit Partners CLO 2018-1 Ltd.; and Z Capital Credit Partners 2019-1 Ltd.,

Plaintiffs,

v.

Robertshaw US Holding Corp.; Range Parent, Inc.; Invesco Ltd.; John Doe funds 1-100 issued, sponsored, or managed by Invesco Ltd.; Eaton Vance Corp.; John Doe funds 1-100 issued, sponsored, or managed by Eaton Vance Management; Bain Capital, LP; John Doe funds 1-100 issued, sponsored, or managed by Bain Capital, LP; One Rock Capital Partners, LLC; and John Does 1-100,

Defendants.

Index No. _____

COMPLAINT

Plaintiffs are lenders of Robertshaw US Holding Corp., Range Parent, Inc. and their subsidiaries (collectively, "Robertshaw") that were deprived of their bargained-for contractual rights through a transaction entered into by Robertshaw in May 2023 (collectively, "Plaintiffs"). Plaintiffs are collateralized loan obligation ("CLO") holding entities, proprietary funds, and third-party funds issued, sponsored, or managed by The Guardian Life Insurance Company of America and its subsidiary Park Avenue Institutional Advisers, Marathon Asset Management LP, Napier Park Global Capital (US) LP, Portman Ridge Finance Corporation, and Z Capital CLO Management LLC (the "Plaintiff Managers"). Defendants are Robertshaw; One Rock Capital Partners, LLC ("One Rock"); and the CLOs, CLO portfolios, proprietary funds, and third-party funds issued, sponsored, or managed by entities affiliated with Invesco Ltd. ("Invesco"); Eaton Vance Management ("Eaton Vance"); and Bain Capital, LP ("Bain Capital") (collectively, "Defendant Lenders," and together with Robertshaw and One Rock, "Defendants").[1] Plaintiffs, through their attorneys Selendy Gay Elsberg PLLC, allege as follows:

NATURE OF ACTION

1. Robertshaw is a design, engineering, and manufacturing company that sells components and systems for appliances. In 2018, One Rock, a private equity firm, bought Robertshaw in a leveraged acquisition from another private equity firm, financing the transaction through a first-lien term loan of $485 million (the "First

[1] Defendants John Does 1–100 and John Doe funds 1–100 issued, sponsored, or managed by Invesco, Eaton Vance, and Bain Capital are lenders who participated in the transaction challenged herein; Robertshaw has refused to identify these lenders.

Lien Loans") and a second-lien term loan of $110 million (the "Second Lien Loans"). Robertshaw borrowed from a group of financial institutions (arranged by Deutsche Bank, Credit Suisse, and Jefferies), which then promptly sold ("syndicated") the loans (the "Leveraged Loans") to multiple investors who became lenders to Robertshaw (the "Lenders"), including Plaintiffs and Defendant Lenders.

2. In May 2023, Robertshaw had liquidity constraints, could not pay its vendors and was facing the maturation of $32 million in Euro-denominated loans in December 2023. It needed to restructure. Robertshaw had a number of options under the credit agreements governing the Leveraged Loans, which required all Lenders to share equally in the Loans' economics. However, One Rock, which stood to lose its equity investment in a bankruptcy or to be diluted in a pro rata private restructuring, and Defendant Lenders, which are a subgroup of Lenders, caused Robertshaw to enter into a new financing transaction with just Defendant Lenders in breach of the governing credit agreements and at the expense of Plaintiffs.

3. The new transaction (the "Uptiering Transaction," "Transaction," or "Scheme") purported to give Defendant Lenders priority status over the same collateral that secured Plaintiffs' loans by exchanging Defendant Lenders' Leveraged Loans for new loans that purportedly had higher priority. It also purported to amend agreements governing Leveraged Loans to strip Plaintiffs of key bargained-for rights, and to demote the Plaintiffs' security position in the payment priority line from ***first*** and ***second*** lien to ***sixth*** and ***seventh***, all ***without Plaintiffs' consent***. In addition, the purported amendment effectively deprived Plaintiffs of scheduled interest

payments prior to the maturity date and eliminated their access to information concerning Robertshaw's financial performance. Defendant Lenders inserted for themselves all the rights they stripped from Plaintiffs into their new loans. Plaintiffs assert this suit to void the improper and abusive amendment and vindicate their contractual rights.

4. Before the Uptiering Transaction, the Leveraged Loans were governed by a First Lien Credit Agreement (the "Original First Lien Agreement") and Second Lien Credit Agreement (the "Original Second Lien Agreement," and together with the Original First Lien Agreement, the "Original Agreements"), which require the Lenders to share *"ratably"* in each of the loans' benefits and losses:

> Section 2.18(c): If any Lender shall … obtain payment in respect of any principal of or interest on any of its Loans of any Class resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans of such Class and accrued interest thereon than the proportion received by any other Lender with Loans of such Class, then ***the Lender receiving such greater proportion shall purchase (for Cash at face value) participations in the Loans of other Lenders of such Class at such time outstanding to the extent necessary so that the benefit of all such payments shall be shared by the Lenders of such Class ratably*** ….

(Emphasis added.).

5. To further protect the Lenders' rights, the Original Agreements also limit Robertshaw's ability to issue new debt or incur new liens and prohibit Robertshaw from issuing new debt in each tranche ahead of the existing loans and amending these key provisions unless all lenders affected by the amendments consent. §§ 6.01, 6.02, 9.02(b).

6. Section 9.02(b) of the Original Agreements provides that the Original Agreements may not be "waived, amended or modified, except … pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders," which is defined as "Lenders having Loans … representing more than 50.0% of the sum of the total Loans…."

7. Some of the Lenders' rights, however, are considered so fundamental that 50% consent is insufficient to effectuate a waiver, amendment, or modification of those rights. Such rights are commonly known as "sacred rights." Changes to sacred rights require consent of any and all Lenders who are adversely affected by such changes. Subsection (A) of Section 9.02(b) lists the Lenders' sacred rights:

> [N]otwithstanding the foregoing, no such agreement shall, ***without the consent of each Lender directly and adversely affected thereby*** …
>
> (2) reduce or forgive the principal amount of any Loan … ; [or]
>
> (5) change any of the provisions of [Section 9.02]…."

(Emphasis added.)

8. The Original Agreements require Robertshaw to provide quarterly and annual financial statements and forecasts and to host lender calls to discuss its business and financial condition. §§ 5.01(a), (b), (c), (h). The Original Agreements also protect the Lenders' right by defining an "event of default" to include Robertshaw's failure to pay "any interest on any Loan … due [under the Original Agreements] within five Business Days after the date due[.]" § 7.01(a).

9. Robertshaw's financial condition started to deteriorate as early as the summer of 2022. In investor communications, Robertshaw initially denied that it was having financial problems, stating that its poor performance was driven by the supply chain issues created by the COVID-19 pandemic. It was not until a December 2022 lender call that Robertshaw disclosed that, in fact, it was facing significant liquidity issues that were jeopardizing its business. Plaintiffs were willing to support Robertshaw in restructuring its debt, including by providing incremental financing. The majority of Plaintiff Managers individually approached Robertshaw and One Rock, repeatedly expressing their willingness to be a constructive player in Robertshaw's restructuring of its debt.

10. Robertshaw first tried to address its financial distress by structuring a pro rata refinancing transaction that may have been permitted under the Original Agreements. However, Robertshaw's leverage was so high that mere incremental financing could not sufficiently address its financial distress. Robertshaw needed to engage in a more comprehensive restructuring of its debt.

11. Typically, such a restructuring transaction would give lenders an equity interest in Robertshaw that would have diluted One Rock's ownership interest. Upon information and belief, One Rock directed Robertshaw to reject any such solution in order to protect itself against such dilution.

12. Defendant Lenders—who at the time were in the same position as Plaintiffs—took advantage of Robertshaw's situation. They began acquiring significant positions in Robertshaw's First Lien and Second Lien Loans, which were trading at a

depressed price. Once they amassed a majority position, they approached One Rock, and together with Robertshaw, negotiated the Uptiering Transaction in secret to allow just Defendant Lenders to exchange their original loans at par for new higher priority debt, secured by the same collateral as the original loans but with a higher interest rate, even though it would be paid ahead of other Lenders' loans. In exchange, Defendant Lenders would give Robertshaw some incremental liquidity.

13. The Original Agreements expressly required pro rata sharing, but Defendant Lenders and One Rock engaged in the transaction anyway.

14. Specifically, the Uptiering Transaction worked as follows:

15. *First*, Robertshaw and Defendant Lenders purported to amend the Original Agreements (the "Amended Agreements") to allow Robertshaw to issue new debt that was senior to debt held by other Lenders, including Plaintiffs, who were excluded from the Uptiering Transaction (the "Excluded Lenders"), without their consent.

16. *Second*, Robertshaw issued to Defendant Lenders $95 million of First-Out New Money Term Loans (the "First-Out Loans").

17. *Third*, Robertshaw exchanged Defendant Lenders' $370 million of First Lien Loans and $65 million of their Second Lien Loans for the newly issued Second-Out Term Loans ("Second-Out Loans") and Third-Out Term Loans ("Third-Out Loans," and together with First-Out Loans and Second-Out Loans, the "Super-Priority Loans"), respectively, which were purportedly senior to and secured by the same collateral securing the First Lien and Second Lien Loans. Even though the new loans

were structured to be less risky than the old loans (being ahead in line for repayment and access to collateral), Robertshaw issued them at a higher interest rate.

18. Robertshaw exchanged Defendant Lenders' existing First Lien and Second Lien Loans for the Second-Out and Third-Out Loans at par, meaning Robertshaw paid back the original loans to Defendant Lenders at 100 cents of higher priority debt for every 100 cents of subordinated debt, a substantial premium above market value, as the original First Lien and Second Lien Loans were trading at 53 cents and 20 cents, respectively, at the time of the Transaction. Defendant Lenders now hold Super-Priority Loans that ranked ahead of (and thus are more valuable than) the First Lien and Second Lien Loans held by the Excluded Lenders.

19. As a result, Defendant Lenders received above-market payouts for their existing loans and took on less risk for the new loans. One Rock was able to refinance its portfolio company without sacrificing any of its equity interest or contributing additional capital. But the Uptiering Transaction provided these benefits to Defendant Lenders and One Rock at the expense of the Excluded Lenders, including Plaintiffs, as their loans were subordinated by the Super-Priority Loans, with no compensation provided for the increased risk of loss on those loans.

20. Defendants did not stop there. They deprived the Excluded Lenders' basic rights as Lenders. For example, Defendants removed Robertshaw's failure to pay interest before the maturity date from the definition of an "Event of Default" and removed financial reporting duties to the Excluded Lenders, so that they are now kept in the dark as to Robertshaw's financial condition. These amendments are

emblematic of Defendants' abuse of the amendment right under the Original Agreements—no Lender would ever have agreed *ex ante* to the outrageous terms imposed by Defendants on the Excluded Lenders.

21. Defendants also attempted to shield themselves from legal liability for this breaching transaction by changing the terms of the Original Agreements to punish any Excluded Lender that challenges Defendants' breaches of the Original Agreements. Defendants in bad faith inserted an indemnity provision that purports to require any Excluded Lender that sues to challenge the Uptiering Transaction to indemnify and hold harmless defendants in causes of action on which the Excluded Lenders does not prevail. Defendants intended this provision to be an almost insurmountable barrier to suit because they likely knew that most of the Excluded Lenders are CLOs that lack the liquidity to provide an indemnity of this magnitude and may, in any event, lack the legal right to agree to any such indemnity *ex ante*. Further, before the Scheme, the Administrative Agent had to follow any directions provided by a majority of the Excluded Lenders. The new indemnity provision also purports to give the new Administrative Agent that was hand-picked by Defendants an excuse for not bringing an action to challenge the Uptiering Transaction by asserting insufficiency of the indemnity offered by the Excluded Lenders, even when directed unanimously by the Excluded Lenders.

22. Defendant Lenders exited the Original Agreements immediately after they adopted the punitive amendments by exchanging their loans under those Agreements for the Super-Priority Loans. This was structured so that Defendant Lenders

would not be affected by any of the punitive changes in the terms of the Original Agreements they purported to enact. Nor do the purported amendments affect One Rock because it is not a signatory to those Agreements. One Rock and Defendant Lenders included these provisions solely to harm the Excluded Lenders and create impediments to keep them from challenging the improper Transaction.

23. In stark contrast, the new loans that Defendant Lenders received had all the customary lender protections in place—the same protections that they stripped out of the Original Agreements. Most notably, although Defendants removed Robertshaw's failure to make scheduled interest payments before the maturity date from the definition of an Event of Default under the Original Agreements, the same event would trigger an Event of Default under the Credit Agreement governing the Super-Priority Loans (the "Super-Priority Credit Agreement"), giving only Defendant Lenders rights to take certain actions to protect their interest in Robertshaw debt. Exploiting this arrangement, Robertshaw stopped paying interest on Plaintiffs' First Lien and Second Lien Loans in September 2023, thereby depriving Plaintiffs of the key consideration for which they bargained as part of the Original Agreements. Robershaw has paid interest under the Super-Priority Credit Agreement to Defendant Lenders.

24. Defendants' ill will, as reflected in the structure of the Uptiering Transaction, was carried out further through Robertshaw's refusal to provide any information about its financial condition to the Excluded Lenders since the Transaction took effect.

25. The Uptiering Transaction fails because the purported amendments are invalid under the Original Agreements, and the Amended Agreements are void. Section 9.02(b)(A) of the Original Agreements—the "sacred rights" provision—requires consent of "each Lender directly and adversely affected" by an "agreement or agreements" that "reduce[s] or forgive[s] the principal amount of any Loan" or "change any of the provisions of" sacred rights, including a sacred right to pro rata sharing of payments. This means that Plaintiffs had to consent in order for the Amended Agreements to comply with the Original Agreements.

26. The Uptiering Transaction was an integrated agreement that directly and adversely affected Plaintiffs by causing the value of their loans to drop due to the increased risk of loss. The Uptiering Transaction exchanged only Defendant Lenders' loans for higher priority loans and decreased the principal amount of their loans to zero without Plaintiffs' consent, in violation of Section 9.02(b)(A)(2) of the Original Agreements.

27. In addition, the Uptiering Transaction violated Plaintiffs' sacred right against modification of their pro rata right under Section 9.02(b)(A)(5). Section 9.02(b)(A)(6) of the Original Agreements—a subsection of Section 9.02—provides a sacred right against "amend[ing] or modify[ing] the provisions of Section[] … 2.18(c) of this Agreement … in a manner that would by its terms ***alter the pro rata sharing of payments*** required thereby (***except in connection with transactions permitted under … Section 9.05(g)***) or as otherwise expressly provided in this Section 9.02)." (Emphasis added.). The Uptiering Transaction expanded the scope of

permitted non-pro rata transactions under Section 9.05(g) and thereby reduced the Lenders' sacred right to pro rata payments under Section 9.02(b)(A)(6). The Uptiering Transaction, however, purported to modify this sacred right to pro rata payments without Plaintiffs' consent, in violation of Plaintiffs' sacred right against modification of another sacred right under Section 9.02(b)(A)(5).

28. With the Amended Agreements invalid, the Original Agreements govern. The Uptiering Transaction violates the Original Agreements in at least four ways: (a) it violates Section 9.05(b) by assigning Defendant Lenders' First Lien and Second Lien Loans to Robertshaw through an exchange other than those permitted thereunder; (b) it violates Section 6.01 by purporting to issue new Super-Priority Loans outside of specific, allowed categories; (c) it violates Section 6.02 by incurring new liens that were not "Permitted Liens"; and (d) it violates 2.18(c) by violating the pro rata requirements by providing Defendants Lenders Super-Priority Loans and excluding Plaintiffs.

29. The Uptiering Transaction breaches not only the Original Agreements' express sacred rights but also the implied covenant of good faith and fair dealing. It has been the understanding and practice of the leveraged loan market for decades that lenders within a class of loans by default share pro rata in the proceeds of those loans unless they agree otherwise. This pro rata sharing principle ensures that all loans in a class are worth the same, allowing easy buying and selling in the secondary market. By effectively declaring that some loans in a class are suddenly worth less—

much less—than others, Defendants violated this longstanding principle and deprived Plaintiffs of the clear fruits of the Original Agreements.

30. Moreover, Defendants prepared the Uptiering Transaction in secret, even though Plaintiffs had expressly asked to help Robertshaw address its financial distress. Defendants favored one group of similarly-situated Lenders over another, depriving the latter of the very benefit of their bargain when Robertshaw could have raised money in contractually valid and more economic ways.[2] Defendants also effectively deprived Plaintiffs of their basic rights to scheduled interest payments and financial information about Robertshaw and injected draconian indemnity terms designed to thwart the Excluded Lenders from challenging the improper Transaction. Defendants abused their amendment right under the Original Agreements in implementing these changes as part of the Uptiering Transaction.

31. In implementing the Uptiering Transaction, One Rock tortiously interfered with the Original Agreements. One Rock knew of the contractual limitations in the Leveraged Loans and induced Robertshaw to structure the breaching Transaction, which was not to the economic advantage of Robertshaw, but was to the benefit of One Rock and Defendant Lenders.

32. The Uptiering Transaction was an intentional and constructive fraudulent transfer. Defendant Lenders received new liens securing a higher priority debt

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[2] *See Most Liability Management Transactions Only Delay Default, Clip Recoveries*, FITCH RATINGS (Apr. 17, 2023), https://www.fitchratings.com/research/corporate-finance/most-liability-management-transactions-only-delay-default-clip-recoveries-17-04-2023.

that purported to cut ahead of Plaintiffs' liens on their First Lien and Second Lien Loans. Robertshaw was insolvent at the time of the Uptiering Transaction: Robertshaw did not have sufficient assets to satisfy all of its outstanding liabilities, nor did it have sufficient liquidity to pay its vendors. Nevertheless, Robertshaw provided new liens on its assets to Defendant Lenders, even though Defendant Lenders were not providing reasonably equivalent value to Robertshaw in this exchange. Indeed, Robertshaw was stuck paying higher interest to Defendant Lenders, while the maturity date for a substantial portion of Robertshaw's debt was accelerated to January 2025. Robertshaw and Defendant Lenders carried out these transfers with the intent to hinder, delay, or defraud Plaintiffs' recovery on their debt.

33. Plaintiffs are here to enforce their bargained-for contractual rights. Plaintiffs ask this Court to declare the Amended Agreements void, find that Robertshaw and Defendant Lenders breached the Original Agreements, avoid the Uptiering Transaction, and require Robertshaw and Defendant Lenders to specifically perform their obligations under those contracts or alternatively pay money damages, including attorneys' fees.

THE PARTIES

A. Plaintiffs

34. Plaintiff The Guardian Life Insurance Company of America is a New York mutual insurance company with its principal place of business in New York. The Guardian Life Insurance Company of America holds First Lien and Second Lien Loans, held such Loans at the time of the Uptiering Transaction, and is an assignee

of and successor in interest to parties to the Original Agreements or, if valid, the Amended Agreements.

35. Plaintiffs Park Avenue Institutional Advisers CLO Ltd. 2016-1, Park Avenue Institutional Advisers CLO Ltd. 2017-1, Park Avenue Institutional Advisers CLO Ltd. 2018-1, Park Avenue Institutional Advisers CLO Ltd. 2019-1, and Park Avenue Institutional Advisers CLO Ltd. 2019-2 (collectively and together with The Guardian Life Insurance Company of America, the "Guardian Lenders") are Cayman Islands private limited companies that hold First Lien and Second Lien Loans, held such Loans at the time of the Uptiering Transaction, and are assignees of and successors in interest to parties to the Original Agreements or, if valid, the Amended Agreements. Guardian Lenders other than The Guardian Life Insurance Company of America are CLOs or CLO portfolios issued, sponsored or managed by Park Avenue Institutional Advisers LLC ("PAIA," and together with Guardian Lenders, "Guardian"), a Delaware limited liability corporation with its principal place of business in New York. PAIA is a wholly owned subsidiary of Guardian.

36. Plaintiffs Marathon CLO V Ltd., Marathon CLO VI Ltd., and Marathon CLO IX Ltd. (collectively, the "Marathon Lenders") are Cayman Islands private limited companies that hold First Lien Loans, held such Loans at the time of the Uptiering Transaction, and are assignees of and successors in interest to parties to the Original Agreements or, if valid, the Amended Agreements. Marathon Lenders are CLOs or CLO portfolios issued, sponsored, or managed by Marathon Asset

Management LP (together with Marathon Lenders, "Marathon"), a Delaware limited partnership with its principal place of business in New York.

37. Plaintiff Portman Ridge Finance Corporation ("Portman Ridge") is a Delaware corporation with its principal place of business in New York that holds Second Lien Loans, held such Loans at the time of the Uptiering Transaction, and are assignees of and successors in interest to parties to the Original Agreements or, if valid, the Amended Agreements.

38. Plaintiffs Regatta VII Funding Ltd., Regatta VIII Funding Ltd., Regatta IX Funding Ltd., Regatta X Funding Ltd., Regatta XI Funding Ltd., Regatta XII Funding Ltd., Regatta Funding XIII Ltd., Regatta Funding XIV Ltd., Regatta Funding XV Ltd., Regatta Funding XVI Ltd., Regatta Funding XVII Ltd., Regatta Funding XVIII Ltd., Regatta Funding XX Ltd., Regatta Funding XXI Ltd., Regatta Funding XXII Ltd., Regatta Funding XXIII Ltd., and Regatta Funding XXIV Funding Ltd. (collectively, the "Napier Park Lenders") are Cayman Islands private limited companies that hold First Lien Loans, held such Loans at the time of the Uptiering Transaction, and are assignees of and successors in interest to parties to the Original Agreements or, if valid, the Amended Agreements. Napier Park Lenders are CLOs or CLO portfolios issued, sponsored, or managed by Napier Park Global Capital (US) LP (together with Napier Park Lenders, "Napier Park"), a Delaware limited liability corporation with its principal place of business in New York.

39. Plaintiffs Z Capital Credit Partners CLO 2018-1 Ltd. and Z Capital Credit Partners 2019-1 Ltd. (collectively, the "Z Capital Lenders") are Cayman

Islands private limited companies that hold First Lien Loans, held such Loans at the time of the Uptiering Transaction, and are assignees of and successors in interest to parties to the Original Agreements or, if valid, the Amended Agreements. Z Capital Lenders are CLOs or CLO portfolios issued, sponsored, or managed by Z Capital CLO Management LLC (together with Z Capital Lenders, "Z Capital"), a Delaware limited liability corporation with its principal place of business in New York. Z Capital CLO Management is a wholly owned subsidiary of Z Capital Group, LLC.

B. Defendants

40. Defendant Range Parent, Inc. is a Delaware corporation and wholly owns the primary operating entity Robertshaw Controls Company, a Delaware corporation with primary place of business in Illinois. Defendant Robertshaw US Holding Corp. (together with Range Parent, Inc., and their subsidiaries, "Robertshaw" or the "Robertshaw Defendants") is a Delaware corporation and direct subsidiary of Range Parent, Inc. Each Robertshaw Defendant is party to or successor in interest to a party to the Original Agreements.

41. Defendant Invesco Ltd. ("Invesco") is a Bermuda limited company with its principal place of business in Georgia. On information and belief, Invesco or John Doe funds managed by Invesco were a party or parties to the Original Agreements and exchanged their debt issued thereunder for Super-Priority Loans as part of the Uptiering Transaction.

42. Eaton Vance Management, affiliate of Defendant Eaton Vance Corp. ("Eaton Vance"), is a Massachusetts business trust with its principal place of business in Massachusetts. Eaton Vance or John Doe funds managed by Eaton Vance were a

party or parties to the Original Agreements and exchanged their debt issued thereunder for Super-Priority Loans as part of the Uptiering Transaction.

43. Defendant Bain Capital LP ("Bain Capital," and together with Invesco and Eaton Vance, "Defendant Managers") is a Delaware limited partnership with its principal place of business in Massachusetts. Bain Capital or John Doe funds managed by Bain Capital were a party or parties to the Original Agreements and exchanged their debt issued thereunder for Super-Priority Loans as part of the Uptiering Transaction.

44. Defendant One Rock Capital Partners LLC ("One Rock") is a Delaware limited liability corporation with its principal place of Business in New York. One Rock is the private equity sponsor for Robertshaw and wholly owns its parent company, Range Parent, Inc.

45. Defendants John Does 1-100 are Lenders of Robertshaw managed by entities other than Invesco, Eaton Vance, and Bain Capital who also participated in the Uptiering Transaction. Plaintiffs requested that Robertshaw provide a copy of the signature pages of the Uptiering Transaction to identify such Lenders, but Robertshaw has not done so.

JURISDICTION

46. This Court has jurisdiction over Defendants pursuant to CPLR 301 because Defendants regularly do business in the State of New York, and pursuant to CPLR 302 because Defendants transact business in the State of New York.

47. This Court also has jurisdiction over Robertshaw and Defendant Lenders pursuant to Section 9.10(b) of the Original and Amended Agreements, under

which they irrevocably and unconditionally submitted to the jurisdiction of this Court for any action arising out of or related to the Original and Amended Agreements.

48. This Court also has jurisdiction over One Rock pursuant to CPLR 302 because it committed a tortious act in the State of New York and/or committed a tortious act causing injury to person or property in the State of New York.

VENUE

49. Venue properly lies in New York County pursuant to CPLR 503 because a substantial part of the events or omissions giving rise to the claims occurred in New York County.

50. Venue properly lies in New York County pursuant to Sections 9.10(b) and 9.10(c) of the Original and Amended Agreements, under which Robertshaw, Defendant Lenders, and Plaintiffs, or their predecessors in interest, consented to venue in the borough of Manhattan, in the City of New York.

FACTUAL ALLEGATIONS

I. The Leveraged Loans and Defendants' Scheme

A. Robertshaw Issues $580 million of New Debt in Tandem With its Ownership Transition to One Rock

51. Private equity firms like One Rock often acquire their portfolio companies through leveraged buyouts ("LBO" or "LBOs") by paying for only a small portion of the acquisition cost (ranging from 20 to 65%) with its own assets and causing the portfolio company to borrow money to finance the rest (sometimes as high as 80%), using the target's assets as collateral. In this way, the private equity firm can

"leverage" its investment to control, and realize a substantial return on the value of, the entire portfolio company.

52. Robertshaw, a design, engineering, and manufacturing company that sells components and systems for appliances, was a public company until the private equity firm Sun Capital Partners, Inc. ("Sun Capital") acquired it through an LBO in June 2014. As part of this LBO transaction, Robertshaw borrowed $580 million. Due to the high leverage caused by the LBO, these loans were riskier than traditional commercial loans. Because no single lender would finance these loans in full, Sun Capital structured the loans to be sold to multiple investors (*i.e.*, "syndicate" the loans), thereby spreading the risk. Certain Plaintiffs first became lenders of Robertshaw by purchasing these loans.

53. On January 5, 2018, Defendant One Rock, a private equity firm, announced that it would acquire Robertshaw from Sun Capital for an enterprise value of roughly $900 million. The transaction between One Rock and Sun Capital closed on March 1, 2018, transferring ownership of Robertshaw to One Rock.

54. In tandem with the ownership transition to One Rock in July 2017, Robertshaw issued $580 million in debt through new senior secured credit facilities. The proceeds from the new First Lien and Second Lien Loans were used to (i) repay early the debt issued in connection with Sun Capital's LBO, (ii) fund a distribution to shareholders, and (iii) pay transaction fees and expenses.

55. The transaction included $440 million in new First Lien Loans, maturing in February 2025, and $140 million in new Second Lien Loans, maturing in February 2026.

56. The First Lien Loans were secured by (i) a first priority security interest in substantially all the present and after-acquired tangible and intangible assets of Robertshaw and its subsidiaries and (ii) a second priority interest in the ABL Priority Collateral (*i.e.*, accounts receivable, inventory, cash deposit accounts, and securities and commodity accounts). The Second Lien Loans were secured by a second priority interest in the same collateral as the First Lien Loans (other than the ABL Priority Collateral) and a third priority interest in the ABL Priority Collateral.

57. The First Lien and Second Lien Lenders' rights are defined in the Original Agreements, entered among Robertshaw, Deutsche Bank as the administrative agent, and Deutsche Bank Securities Inc., Credit Suisse Securities (USA) LLC, and Jefferies Finance LLC as Joint Bookrunners and Joint Lead Arrangers.

58. With narrow exceptions inapplicable here, the Original Agreements guarantee that no additional debt can be incurred unless the debt is junior or *pari passu* with the existing tranches and that all Lenders within each class will share the risks and benefits of the term loans proportionally. Specifically, Section 2.18(a) provides that "each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans of a given Class … shall be allocated ***pro rata*** among the Lenders," and Section 2.18(c) prevents any lenders from "receiving payment of a greater proportion of the aggregate amount of its Loans of such Class"

by requiring lenders receiving such a payment to "purchase (for Cash at face value) participations in the Loans of other Lenders of such Class." (Emphasis added.).

59. The Original Agreements also include dozens of pages of affirmative and negative covenants preventing Robertshaw from harming the First Lien and Second Lien Lenders. The Original Agreements, among other things, (i) restrict Robertshaw's use of proceeds and distribution of dividends (Section 6.05(a)); (ii) bind Robertshaw to not incurring additional liabilities and indebtedness (Section 6.01); (iii) restrict Robertshaw's ability to make payments on or modify other debt (Section 6.05); and (iv) limit its ability to make certain investments (Section 6.07). The Original Agreements also restrict Robertshaw's ability to assign loans to itself except under stringent circumstances, ensuring that debt assigned to the Borrower (Robertshaw) will be cancelled (Section 9.05(g)). The First Lien Credit Agreement includes covenants that prohibit Robertshaw from repaying junior debt before the First Lien Loans (Section 6.05(b)) and bar it from amending junior financing agreements to be materially adverse to the First Lien Lenders (Section 6.14).

60. The Original Agreements prohibit Robertshaw from amending those Agreements to favor some Lenders over others. Section 9.02(b)(A) gives Lenders sacred rights that bar Robertshaw from waiving, amending, or modifying key portions of the Original Agreements without "***the consent of each Lender*** directly and adversely affected thereby"—not just a simple majority. (Emphasis added.). Section 9.05(b)(A)(2) prohibits Robertshaw from entering agreements "***without the consent of each Lender*** directly or adversely affected thereby" that "reduce[d] or for[gave]

the principal amount of any Loan[.]" (Emphasis added.). Section 9.05(b)(A)(5) prohibits Robertshaw from "chang[ing] any of the provisions of [Section 9.05]" "***without the consent of each Lender*** directly or adversely affected thereby." (Emphasis added.). Section 9.05(b)(A)(6) prohibits Robertshaw from "amend[ing] or modify[ing] the provisions of Section 2.18(a) (with respect to pro rata allocation among lenders), 2.18(b) and 2.18(c) of [the] Agreement in a manner that will by its terms alter the pro rata sharing of payments required thereby (except in connection with transactions permitted under (and to the extent permitted by) Section[] … 9.05(g) …)."

B. Robertshaw Misleads Its Lenders About Its Liquidity Situation

61. On a February 2022 Quarterly Investor Call, Robertshaw informed Lenders of several "headwinds" facing its business, all of which it said had caused a decline in Robertshaw's performance. Robertshaw attributed its struggles to new government regulations affecting its products; declining market share of major clients Maytag and Whirlpool; failure to develop new appliance manufacturer clients in Asia; difficulties breaking into the HVAC and electric vehicle markets; and a major business slump during the COVID-19 pandemic. Robertshaw informed Lenders that its financial condition was declining largely because of supply chain difficulties caused by the COVID-19 pandemic, with the implication that once the supply chain difficulties resolved, the business would rebound.

62. The decline of Robertshaw's business was an alarming development for Lenders because the maturity date for $32 million of Robertshaw's Euro-denominated term loan was coming up in December 2023. Mindful of these circumstances,

Plaintiffs reached out to Robertshaw to discuss possible refinancing solutions as early as Summer 2022.

63. However, Robertshaw downplayed its financial distress and denied having liquidity issues. As such, Plaintiffs were unaware of the severity and urgency of Robertshaw's liquidity problems until it was too late. In October 2022, Plaintiff Manager Portman Ridge reached out to One Rock, Robertshaw's equity sponsor, to get some information, but One Rock suggested that there was nothing to discuss at the time. Plaintiffs were scheduled to get an update from Robertshaw during a November 2022 Quarterly lender call, but Robertshaw abruptly cancelled it the day before and rescheduled it for December 7, 2022.

64. Plaintiffs learned the truth about Robertshaw's liquidity crisis during the Q&A portion of the December 7, 2022 lender call. Robertshaw finally revealed that it was experiencing serious challenges in satisfying payables and had limited working capital. Specifically, Robertshaw disclosed that it was making an investment in past due balances with its vendor base to facilitate the flow of products to complete a production that was in progress. This signaled to Lenders that Robertshaw had immediate and severe liquidity issues, such that it could not timely pay its vendors. Indeed, the supply chain issues Robertshaw had previously identified as the cause of its downturn were in fact primarily caused by its own failure to pay its vendors, rather than the other COVID-19-related business "headwinds" that it had mentioned earlier in the year. Robertshaw was insolvent.

C. Robertshaw Unsuccessfully Attempts to Raise Additional Capital Without Breaching Credit Agreements

65. After Robertshaw disclosed its inability to pay creditors and related liquidity issues, Plaintiffs reached out to Robertshaw again, offering to help it restructure its existing debt obligations. On December 9, 2022, Plaintiff Manager Guardian contacted Robertshaw's private equity sponsor One Rock. During this call, Guardian discovered that Robertshaw had retained Guggenheim Investments ("Guggenheim") as a financial adviser for its potential restructuring. On December 13, 2022, Guardian again contacted One Rock and spoke with principal Kurt Beyer, who confirmed Robertshaw's retention of Guggenheim to explore what he called "financing alternatives."

66. Over the course of the next month, Guggenheim had high-level discussions with Robertshaw's lenders about restructuring options. Guggenheim discussed with Marathon some of the various options, including the pledging of Robertshaw's European assets, which were excluded from the pool of collateral securing the First Lien and Second Lien Loans, for incremental financing.

67. Around the same time, Napier Park discussed potential restructuring with one of the Defendant Managers, which was having an ongoing dialogue with Robertshaw about its capital structure. The Defendant Manager noted that they expected any financing or restructuring transaction proposed by Robertshaw to involve all Lenders.

68. Throughout these conversations, Guggenheim did not disclose that Robertshaw was considering a non-pro rata uptiering transaction that would breach the credit agreements as a solution to its liquidity problems.

69. In January, Guggenheim, on behalf of Robertshaw, proposed a "new money" deal, meaning lenders would provide additional capital secured by unencumbered collateral. Plaintiffs anticipated that this deal would have brought in between $75 million and $100 million in new money, while complying with the Original Agreements and still respecting pro rata principles.

70. On February 17, 2023, Robertshaw held another quarterly lender call. It shared further financial information but gave no updates on potential refinancing transactions. Robertshaw's representatives did not permit any questions from Lenders during the call.

71. After this February call, Robertshaw and Guggenheim engaged in no further substantive communications with Plaintiffs. Further outreach by some Plaintiffs was met with a standardized response that no further information could be disclosed.

D. In Secret, Defendants Execute an Uptiering Scheme to Enrich Themselves and Protect One Rock's Equity

72. On May 10, 2023, Robertshaw surprised Plaintiffs by announcing that it had executed the Uptiering Transaction with a subset of First Lien and Second Lien Lenders. The Excluded Lenders had a lot of questions. Robertshaw hosted a Zoom call to walk through the structure of the Uptiering Transaction the day after it was announced. However, the Excluded Lenders were not permitted to ask any questions during the call.

73. The Uptiering Transaction was a single integrated transaction that consisted of four steps, with multiple interdependent agreements that were executed simultaneously.

74. *First*, Robertshaw, Deutsche Bank AG, in its capacity as the Administrative Agent under the Original Agreements, and Defendant Lenders purported to amend the Original Agreements to gut most protections for the First Lien and Second Lien Lenders, including most restraints on Robertshaw's ability to incur additional debt and create additional liens. These amendments included: (i) deleting provisions that required Robertshaw to release its financial statements, engage in quarterly calls, or make regulatory disclosures, and (ii) replacing the Administrative Agent from Deutsche Bank AG New York Branch to Seaport and SRS as co-successor Administrative Agents. When they consented to these amendments, Defendant Lenders had already agreed that, as part of the Uptiering Transaction, they would exchange their holdings of the stripped-down loans and enter into new loans that Robertshaw would issue with new agreements that ***would*** afford them the very lender protections they eliminated for Plaintiffs.

75. *Second*, now purportedly unrestrained, Robertshaw, upon information and belief, issued $95 million in First-Out New Money Term Loans, secured by the same collateral that secured the existing $580 million in outstanding First Lien and Second Lien Loans.

76. *Third*, Robertshaw issued $370 million in new Second-Out Loans and $65 million in Third-Out Loans and exchanged them for Defendant Lenders' existing

First Lien Loans and Second Lien Loans at par. This exchange was offered to all Defendant Lenders, regardless of whether they provided incremental financing to Robertshaw by purchasing First-Out Term Loans. Robertshaw also created new tranches of Fourth-Out Term Loans and Fifth-Out Term Loans—all of which were secured by the same collateral that secured the First Lien and Second Lien Loans—which were reserved for potential exchanges for just a portion of First Lien Loans and the entirety of Second Lien Loans held by the Excluded Lenders who could participate in an exchange offered by Robertshaw (on worse terms than that of Defendant Lenders) after the Uptiering Transaction. On information and belief, Robertshaw offered Defendant Lenders the opportunity to participate in the First-Out New Money Term Loans.

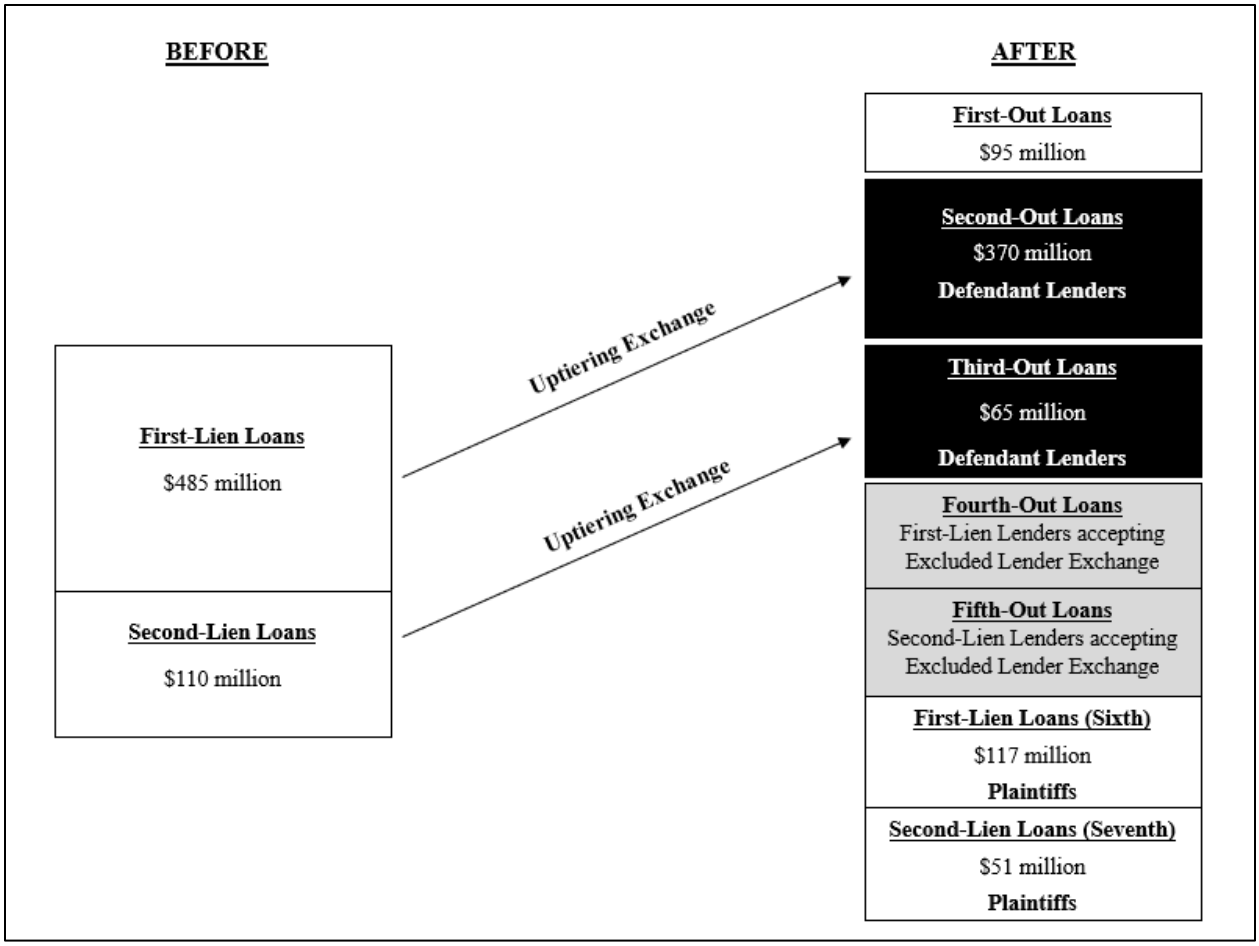
77. *Fourth*, Robertshaw entered a new Priority Intercreditor Agreement that included a new payment waterfall. The First-Out New Money Term Loans now purportedly ranked first, followed by the new Second-Out Loans, then the new Third-Out Loans, then the new Fourth-Out Term Loans, then the new Fifth-Out Term Loans. The existing ***First*** Lien and ***Second*** Lien Loans now purportedly ranked ***sixth*** and ***seventh***, respectively.

78. As a result, the Uptiering Transaction put excluded First Lien Lenders behind $533 million in new debt and excluded Second Lien Lenders behind that same $533 million, plus an additional $163 million for a total of $696 million in new purportedly higher priority debt, all secured by the same collateral.

79. The new capital structure that resulted from the Uptiering Transaction did not make economic sense. The new First-Out, Second-Out, and Third-Out Loans—which are held by Defendant Lenders—purportedly have higher priority, and are therefore less risky, than the First Lien Loans held by Plaintiffs. It is basic economics that a loan with higher risk should carry a higher interest rate because interest payments are compensation for incremental risk assumed by the lenders. However, the First-Out, Second-Out and Third-Out Loans held by Defendant Lenders carry interest rates (SOFR[3] + 8.0%, 7.0%, and 5.5%, respectively) that are ***higher*** than the interest rates of the original First Lien Loans (SOFR + 3.5%), which are now *sixth* out in priority.

80. The inverted relationship between the assumed risk and the interest rates within Robertshaw's capital structure makes it evident that the Uptiering Transaction was specifically designed to benefit Defendant Lenders, at the expense of the Excluded Lenders.

[3] "SOFR" refers to the Secured Overnight Financing Rate, which is a measure of the cost of borrowing cash overnight collateralized by Treasury securities. Since the retirement of LIBOR, SOFR has become commonly used as a benchmark rate for the calculation of interest rates.



81. The Uptiering Transaction enriched Defendant Lenders. According to Robertshaw, Lenders who held roughly 76% of the First Lien Loans and roughly 59% of the Second Lien Loans consented to the Uptiering Transaction and were exchanged ***at par*** into new Second-Out and new Third-Out facilities, respectively. Immediately preceding the Uptiering Transaction, Robertshaw's First Lien Loans and Second Lien Loans were trading at approximately 53 cents and 20 cents on the dollar, respectively. In contrast, immediately following the Transaction, the trading prices of the Second-Out and Third-Out Loans—to which Defendant Lenders' First Lien and Second Lien Loans were exchanged—were far higher. For example, the Second-Out Loans, to which Defendant Lenders' First Lien Loans (trading at 53 cents right before the

Uptiering Transaction) were exchanged at par, started trading at over 98 cents right after the Uptiering Transaction, representing an approximately 85% increase in value.

82. The structure of the Uptiering Transaction reflected Defendant Lenders' true intent—to induce Robertshaw to enter a transaction that would maximize the recovery for Defendant Lenders irrespective of the fact that it breached the Original Agreements. Under this investment thesis, Defendant Lenders refused to honor pro rata principles and excluded other Lenders from the Uptiering Transaction because the smaller the pool of the participating lenders, the greater Defendant Lenders' gains.

83. Defendant Lenders were not the sole beneficiaries of the Uptiering Transaction—One Rock also came out ahead. Many of the Lenders rejected the pro rata new money financing proposed by Robertshaw in January 2023 because injecting new money could not alone solve Robertshaw's fundamental problem: its high leverage. Without engaging in substantial deleveraging, Robertshaw could not turn around its business because it would not have sufficient cash to focus on developing new business segments in its market due to the high cost of servicing its debt.

84. One Rock, however, was not amenable to substantial deleveraging of Robertshaw because, in order to achieve that outcome, either (1) One Rock needed to inject a substantial amount of additional capital into Robertshaw for the buy-out of the existing debt, and/or (2) a significant portion of the Lenders' debt needed to be converted into an equity interest in Robertshaw, which would dilute One Rock's

equity interest in Robertshaw. Instead, One Rock effected the Uptiering Transaction with a subset of Robertshaw's Lenders so that it could maintain its equity position, regardless of whether the Transaction was permitted under the express terms of the Original Agreements.

II. Defendants Attempt to Avoid Their Day of Reckoning

A. Defendants Offer a Second Exchange to Try to Get Releases for Their Breach

85. Cognizant of the fact that the Uptiering Transaction was not permitted under the Original Agreements, Defendants concocted a plan to get away with their scheme without compensating the Excluded Lenders in full.

86. On the same day the Uptiering Transaction was announced, Robertshaw also announced a different exchange offer to the Excluded Lenders on terms worse than the Uptiering Transaction but better than the Amended Agreements (the "Excluded Lender Exchange"). If accepted, each dollar of First Lien Loans held by an Excluded Lender would be exchanged to (i) 10 cents of Second-Out Loans, (ii) 25 cents of Third-Out Loans, and (iii) 65 cents of Fourth-Out Term Loans. The terms of this exchange offer were far inferior to those offered to Defendant Lenders, whose First Lien Loans were exchanged at par—100 cents of Second-Out Loans. This Excluded Lender Exchange required acknowledging the validity of the Amended Agreements and the Super-Priority Credit Agreement. *See* Notice and Instruction from Robertshaw US Holdings Corp. re: Notice to the First Lien Lenders and Second Lien Lenders in respect of the PTL Facility (incorporating terms and definitions from the Amended Agreements and the Super-Priority Credit Agreement). If an Excluded

Lender accepted the Excluded Lender Exchange, Robertshaw Loans held by that Excluded Lender would mostly be uptiered to the Fourth-Out and Fifth-Out Term Loans to be issued under the Super-Priority Credit Agreement, ahead of the Loans held by Lenders who choose not to participate, thereby creating a perverse incentive to participate in this second breaching transaction or be left out and be subordinated yet again.

87. In late May, one Plaintiff Manager contacted a representative of Robertshaw at Guggenheim to express displeasure with the nature of the Uptiering Transaction and its effect on the Excluded Lenders. The Robertshaw representative tried to persuade these Plaintiffs to participate in the Excluded Lender Exchange, claiming that the terms of the Uptiering Transaction were not as harmful to the Excluded Lenders as they appeared. The representative at Guggenheim contended that if a sufficient number of excluded First Lien and Second Lien Lenders participated in the Excluded Lender Exchange and converted the majority of their First Lien and Second Lien Loans, the terms of the Uptiering Transaction would allow Robertshaw to repay their outstanding First Lien and Second Lien Loans in full up to a maximum of $12.5 million per tranche at their original respective maturity: February 28, 2025, and February 28, 2026. In other words, Robertshaw tried to entice a portion of the Excluded Lenders to participate in the less favorable Excluded Lender Exchange with the carrot of repaying up to $12.5 million at par on the respective maturity date of First Lien and Second Lien Loans.

88. The Excluded Lender Exchange did not make economic sense for Plaintiffs. After the Uptiering Transaction, $115 million of First Lien and $45 million of Second Lien Loans remained outstanding. Under the terms of the Super-Priority Credit Agreement, Robertshaw could repay at par up to $12.5 million of the First Lien Loans and $12.5 million of the Second Lien Loans if the outstanding balance of those tranches decreased to $12.5 million by their respective maturity. This means that all the First Lien and Second Lien Lenders would need to exchange approximately 85% of their loans (leaving no more than $12.5 million for each tranche of First Lien and Second Lien Loans) at extremely adverse terms in order to receive the benefit as to the remaining 15% of their debt ($12.5 million in First Lien Loans and $12.5 million in Second Lien Loans, which constitute less than 20% of outstanding First Lien and Second Lien Loans). The aggregate recovery the Excluded Lenders would receive through this arrangement, however, would not even come close to the recovery Defendant Lenders would obtain through the Uptiering Transaction.

89. Simply put, the exchange offer presented by Robertshaw evidenced clear disregard of the Excluded Lenders' pro rata rights. Plaintiffs did not want to be part of a scheme based on Robertshaw's violation of its contractual obligations and declined to participate in the exchange.

B. Defendants Manifest Their Intent to Harm Excluded Lenders

90. The amendments to the Original Agreements that were purportedly implemented as part of the Uptiering Transaction evidence Defendants' bad faith and intent to harm the Excluded Lenders.

91. *First*, aware of their breaching conduct, Defendants inserted multiple terms designed to thwart the Excluded Lenders from vindicating the very contractual rights that that the Uptiering Transaction infringed. Specifically, Defendants:

- Added a draconian indemnity provision, Section 9.03(c), to the Original Agreements, purportedly requiring any Lender which asserts multiple causes of action to enforce its rights under the Original Agreements to reimburse costs and expenses incurred by defendants in connection with causes of action on which the Lender does not prevail;
- Replaced the Administrative Agent with entities that are favorable to Defendants so that the new Agents would refuse to bring any action adverse to Defendants' interests; and
- Added a requirement that the Lenders provide an indemnity *to the Agent's satisfaction* before the Agent acts on behalf of the Lenders to enforce the terms of the Amended Agreements, providing a basis for the Agent *handpicked by Defendants* to refuse to follow the Excluded Lenders' directions.

These were intended to make it extraordinarily difficult for Plaintiffs to bring suit—if the Amended Agreements were valid (they were not).

92. Relatedly, consistent with the customary practice of a borrower paying all expenses incurred by the lenders in enforcing their rights under a credit agreement, Section 9.03 of the Original Agreements requires Robertshaw to pay "all reasonable and documented out-of-pocket expenses incurred by … the Lenders … in connection with the enforcement, collection or protection of its rights" in connection with the Original Agreements. Through their Scheme, however, Defendants not only deprived the Excluded Lenders of this right by deleting "the Lenders" from the list of indemnitees but also flipped the burden around to the Excluded Lenders. At the same time, Defendants made sure that Defendant Lenders are entitled to Robertshaw's indemnification for any legal challenges against the Uptiering Transaction by

replicating the Original Agreements' indemnification provisions in the Super-Priority Credit Agreement.

93. *Second*, Defendants substantially narrowed the events that would trigger an Event of Default under the Original Agreements, which would grant the Excluded Lenders access to additional remedies to protect their loans. Defendants amended the Event of Default triggered by Robertshaw's failure to pay interest under Section 7.01(a). Before the Uptiering Transaction, Robertshaw's failure to pay "any interest on any Loan … due [under the Original Agreements] within five Business Days after the date due" would result in an Event of Default. The Uptiering Transaction, however, modified it so that an Event of Default would occur only if "any interest on any Loan … due hereunder to the Lenders ***on the Maturity Date*** … within five Business Days after the due date." (Emphasis added.). Simply put, Robertshaw would no longer face an Event of Default by refusing to pay interest until the maturity date of the First Lien and Second Lien Loans. This amendment substantially compromised the Excluded Lenders' ability to protect their right to periodic interest payments—one of their key bargained-for rights in entering the Original Agreements.

94. This amendment to the Event of Default alone proves Defendants' abuse of the amendment right under the Original Agreements in entering into the Uptiering Transaction. No Lender would ever have agreed to defer payment of interest on its Robertshaw Loans until the maturity date *ex ante*. A regular payment of interest was one of the Excluded Lenders' fundamental, bargained-for economic payment terms—Defendants implicitly concede as much by including that exact right in the Super-

Priority Credit Agreement that governs the loans held by Defendant Lenders. Defendants completely deprived the Excluded Lenders of this right by eliminating the failure to pay interest as an Event of Default and then replacing the Administrative Agent with ones hand-picked by Defendants and imposing a draconian indemnity requirement—eliminating the possibility of the Administrative Agent taking an action to enforce the Excluded Lenders' right to scheduled interest payments.

95. Defendant Lenders consented to this amendment solely to reap benefits at the expense of the Excluded Lenders as this amendment did not have any implications for Defendant Lenders—they arranged to exit the Original Agreements through the Uptiering Transaction. For Plaintiffs, however, this meant that there could be no interest from their Loans until the maturity date.

96. *Third*, Defendants struck the entirety of Section 5.01 of the Original Agreements, which required Robertshaw to provide financial statements and hold lender calls on a regular basis. The information right struck by Defendants is one of the fundamental rights that any lender would enjoy in the context of any credit transaction—it is a fundamental duty of a borrower to keep its lenders apprised of its operations. The elimination of the Excluded Lenders' right to information epitomizes Defendants' bad faith, which cannot be explained by anything other than Defendants' malice and intent to harm the Excluded Lenders, including Plaintiffs.

III. Defendants' Scheme Breached the Original Agreements

A. Defendants Effectively Conceded that the Scheme Violates the Original Agreements by Amending Key Provisions

97. Defendants effectively conceded that the Original Agreements did not permit the Uptiering Transaction as they stripped out the key provisions that otherwise would have hindered their plot. The amendment serves as a roadmap of the breaching provisions.

98. In the Amended Agreements, Defendants sought to eliminate several protections. For example, they purported to delete Section 6.01, in which Robertshaw covenanted not to incur new debt unless the new debt was a "Refinancing Equivalent Debt," as defined in Section 2.22(h)(i) (or fell into other specified baskets not applicable here). Section 2.22(h)(i) in turn defines "Refinancing Equivalent Debt" as a debt issued in exchange for First or Second Lien debt that ranks equal to or lower than the exchanged First or Second Lien debt in priority of payment and security. Defendants also purported to delete Section 6.02, in which Robertshaw covenanted not to incur new liens on its collateral (with limited, inapplicable exceptions).

99. The protections that Defendants purportedly abolished include:

SECTION	ORIGINAL AGREEMENTS	AMENDED AGREEMENTS
6.01	Restricted Robertshaw's ability to incur new debt.	DELETED
6.02	Restricted Robertshaw's ability to incur new liens.	DELETED
6.04	Restricted Robertshaw's ability to further pledge its properties and assets.	DELETED

6.05	Restricted Robertshaw's ability to distribute dividends with respect to equity interests or make payments on junior debt.	DELETED
6.07	Restricted Robertshaw's ability to make investments, loans, advances, and guarantees.	DELETED
6.08	Restricted Robertshaw's ability to merge or consolidate, liquidate, otherwise transfer, or dispose of all or any part of its assets.	DELETED
6.10	Restricted Robertshaw's ability to enter sale and lease-back transactions.	DELETED
6.11	Restricted Robertshaw's ability to sell, lease, or otherwise transfer property or assets to any of its affiliates.	DELETED
6.14	Restricted Robertshaw's ability to modify junior financing agreements whose effect will be materially adverse to the interests of the Lenders.	DELETED

100. Defendants understood the value of the affirmative and negative covenants in the Original Agreements: They took effort to include every covenant they struck from the Original Agreements in the Super-Priority Credit Agreement to protect lenders of the new Super-Priority Loans.

101. Defendant Lenders were amply rewarded for participating in the Up-tiering Transaction. They received above-market value for their old debt. And, because Defendant Lenders are no longer First Lien and Second Lien Lenders after participating in the Transaction, they had no problem agreeing to strip protections for the First Lien and Second Lien Lenders they left behind. Indeed, Defendant Lenders received the benefit of loans ranked higher than Plaintiffs' loans. Defendant

Lenders attempted to protect their own interests at the expense of Plaintiffs' ability to recover in the event that Robertshaw's operation continues to deteriorate and it cannot repay all the lenders in full.

B. The Amended Agreements Are Invalid and Unenforceable

102. Defendants' scheme fails at the first step. Defendant Lenders' consent was insufficient to amend the Original Agreements, as Defendants stripped key lender protections that required the consent of each Lender who is directly and adversely affected, including Plaintiffs.

103. Section 9.02(b)(A) of the Original Agreements requires the consent of each Lender "directly and adversely affected" by an "agreement" that "(2) reduce[s] … the principal amount of any Loan," or "(5) change[s] any of the provisions of [Section 9.02]."

104. The consent of the Excluded Lenders was required here.

105. *First*, the Amended Agreements that were part of the Uptiering Transaction constituted an "agreement" that "directly and adversely affected" Plaintiffs by reducing the likelihood of payment on their debt.

106. *Second*, the Uptiering Transaction reduced the principal amount of Defendant Lenders' loans to zero.

107. *Third*, the Uptiering Transaction "change[d]" a provision of Section 9.02. Section 9.02(b)(A)(6) provides that "no such agreement shall, without the consent of each Lender directly and adversely affected thereby …, (6) amend or modify the provisions of Section … 2.18(c) of [the Original Agreements] in a manner that would by its terms alter the pro rata sharing of payments required thereby (*except in connection*

with transactions permitted under … Sections 2.22, 2.23, 2.25, 9.02(c) or *9.05(g)* or as otherwise expressly provided in this Section 9.02)." (Emphasis added.).

108. The Uptiering Transaction amended Section 9.05(g) to permit Lenders to assign their Loans to Robertshaw on a non-pro rata basis through "bi-lateral arrangements, exchange offers or other transactions" and "as otherwise consented to by the Borrower." Prior to the Transaction, Lenders could assign their Loans to Robertshaw on a non-pro rata basis only through "Dutch Auctions open to all applicable Lenders on a *pro rata* basis" or "open market purchases." This amendment to Section 9.05(g) shows an acknowledgement by Robertshaw and Defendant Lenders that the non-pro rata assignment of Defendant Lenders' loans to Robertshaw through the exchange in the Uptiering Transaction does not fit into either of the two options available under Section 9.05(g) of the Original Agreements.

109. Before the Uptiering Transaction, each Lender had a sacred right under Section 9.02(b)(A)(6) against other Lenders' assignment of their Loans to Robertshaw on a non-pro rata basis except through "Dutch Auctions open to all applicable Lenders on a *pro rata* basis" or "open market purchases." The Uptiering Transaction, however, dramatically reduced the Lenders' sacred right under Section 9.02(b)(A)(6) and exposed them to *any* non-pro rata assignments of Loans by Lenders consented to by Robertshaw.

110. The Uptiering Transaction modified Section 9.02(b)(A)(6) by reducing the scope of the sacred right provided thereunder. Such an amendment required "the

consent of each Lender directly and adversely affected thereby" under Section 9.02(b)(A)(5).

111. Thus, Plaintiffs' consent was required for the Amended Agreements to be effective. Because Plaintiffs did not consent, those Agreements are void.

C. Defendants' Scheme Breached the Original Agreements

112. Because Defendants' attempt to amend the Original Agreements is invalid, the Original Agreements are still operative, and Defendants breached those Agreements in multiple ways.

113. Breach of Section 2.18(c). Section 2.18(c) of the Original Agreements requires that:

> If any Lender … shall obtain payment in respect of any principal of or interest on any of its Loans of any Class resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans of such Class and accrued interest thereon than the proportion received by any other Lender with Loans of such Class, then the Lender receiving such greater proportion shall purchase (for Cash at face value) participations in the Loans of other Lenders of such Class at such time outstanding to the extent necessary so that the benefit of all such payments shall be shared by the Lenders of such Class ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans of such Class.

114. The Uptiering Transaction provided Defendant Lenders value in respect of their Loans that was greater than their pro rata shares because Plaintiffs, who also held Loans, received no Super-Priority Loans in the Scheme. Defendant Lenders were thus required to purchase participations in Plaintiffs' term loans to the extent necessary to ensure that the benefit of the Scheme was shared ratably. But Defendant

Lenders did not purchase any participation in Plaintiffs' term loans. This breached Section 2.18(c).

115. Breach of Section 9.05(g). Section 9.05(g) of the Original Agreements permits a Lender to "assign all or a portion of its rights and obligations under [the Original Agreements] in respect of its Term Loans" to Robertshaw on a "non-*pro rata* basis" only if the assignment occurs "(A) through Dutch Auctions open to all applicable Lenders on a *pro rata* basis or (B) through open market purchases." Defendant Lenders attempted to assign their First Lien and Second Lien Loans to Robertshaw on a non-pro rata basis through an exchange that did not constitute a Dutch auction nor an open market purchase. This breached Section 9.05(g).

116. Breach of Section 6.01. Section 6.01 of the Original Agreements prohibits Robertshaw from "directly or indirectly, creat[ing], incur[ing], assum[ing] or otherwise becom[ing] … liable with respect to any Indebtedness," with the exception of several specifically enumerated categories of Indebtedness. The Super-Priority Loans issued by Robershaw are Indebtedness that does not fall within any of the enumerated categories of permitted Indebtedness. This breached Section 6.01.

117. Breach of Section 6.02. Section 6.02 of the Original Agreements prohibits Robertshaw from "creat[ing], incur[ing], assum[ing] or permit[ting] to exist any Lien on … any property … owned by it" except for specifically enumerated categories of Liens. The Liens with which Robertshaw purportedly secured the Super-Priority Loans are not permitted within the enumerated categories of permitted Liens. This therefore breached Section 6.02.

IV. Defendants' Malfeasance Continues in the Aftermath of the Uptiering Transaction

A. Defendants Faked Willingness to Honor Plaintiffs' Rights

118. Following the Transaction, Guardian raised serious concerns about the Uptiering Transaction's purported amendments to the Event of Default provisions—especially the removal of failure to pay interest before the maturity date from the list of Events of Default. Guggenheim acknowledged the validity of those concerns. Robertshaw's counsel then prepared a markup, proposing unwinding some amendments to the Event of Default provisions, and sent it to the Plaintiff Manager. However, Robertshaw did not take any steps to actually implement the contemplated modifications of the Event of Default provisions, or any changes at all.

119. Instead, Robertshaw leveraged the amended Event of Default provisions in the Amended Agreements and suspended its interest payments on the First Lien and Second Lien Loans starting September 2023.

B. The Uptiering Transaction is Harming Robertshaw

120. The maturity of Robertshaw's debt that was newly issued in connection with the Uptiering Transaction is contingent on the outstanding balance of First Lien and Second Lien Loans. At the time of issuance, the new debt was set to mature on January 28, 2025: one month before the majority of the First Lien Loans. The maturity date for the new debt would be extended to February 28, 2027 o***nly if*** a sufficient number of the Excluded Lenders were to accept the Excluded Lender Exchange so that the outstanding balance of the First Lien and Second Loans falls below $12.5 million for each tranche.

121. Robertshaw offered full payment for the Excluded Lender Exchange only for $25 million of debt; for the remainder, the Excluded Lenders would have to exchange at worse terms that did not make economic sense and to acknowledge the validity of the Uptiering Transaction. Unsurprisingly, only a few Excluded Lenders, holding a very small amount of First Lien and Second Lien Loans, accepted the Excluded Lender Exchange offer. As a result, the new debt issued under the Uptiering Transaction is scheduled to mature on January 28, 2025—before the maturity date of the Original Agreements.

122. Robertshaw's financial situation has worsened. Before the Transaction, it was facing February 2025 maturity for $485 million in First Lien Loans, but it is currently facing January 2025 maturity for $533 million in Super-Priority Loans, a much shorter runway to turn around its business. In addition, before the Uptiering Transaction, Robertshaw's annual interest expense was approximately $25.8 million, but the interest expense for the same amount of debt (*i.e.*, exclusive of interest on the First-Out New Money Term Loans) is now approximately $37.1 million because the Uptiering carried a higher interest rate. Thus, Robertshaw is facing a closer maturity date and higher interest expenses, which are undermining its financial condition.

123. The Uptiering Transaction did not make economic sense for Robertshaw from the outset. In order for Robertshaw to extend the maturity date of the debt newly issued in connection with the Transaction to a date later than the maturity dates of the original loans, approximately 85% of the Excluded First Lien and Second Lien Lenders needed to accept Robertshaw's offer of the Excluded Lender Exchange, the

terms of which were significantly inferior to the Uptiering Transaction. Given such a high threshold, it was not reasonable to assume that the extension would occur and it has not. Following the Uptiering Transaction, Robertshaw's remaining cash only allowed it to offer full payment for $25 million of Excluded Lenders' debt, whereas approximately $160 million of their First Lien and Second Lien Loans remain outstanding, thus further restraining Robertshaw's efforts to access the extended maturity. In addition, Roberstshaw exchanged Defendant Lenders' First Lien and Second Lien Loans for the new debt at par—an exchange rate that is disproportionately favorable to Defendant Lenders given the market prices of those Loans. Only Defendant Lenders and One Rock benefitted at the expense of Robertshaw.

124. Indeed, Standard & Poor's noted that the Uptiering Transaction was extremely unfavorable to Robertshaw and opined that the Transaction was "tantamount to default because the new debt has less favorable terms [to Robertshaw] than those originally promised to holders of both the first- and second-lien debt." S&P Global Ratings, *Research Update: Range Parent Inc. Downgraded To 'SD' From 'CCC' On Distressed Exchange; Issue-level Ratings Lowered To 'D'* (May 10, 2023).

FIRST CAUSE OF ACTION
Declaratory Judgment
(All Plaintiffs Against Robertshaw and Defendant Lenders)

125. Plaintiffs incorporate the preceding paragraphs.

126. Plaintiffs, Robertshaw, and Defendant Lenders are parties to, or assignees and successors in interest to, the Original Agreements.

127. The Original Agreements are valid and enforceable contracts.

128. Plaintiffs performed all their obligations under the Original Agreements.

129. Section 9.02(b)(A)(2) requires the consent of each Lender "directly and adversely affected" by an "agreement" that "reduce[s] or forgive[s] the principal amount of any Loan."

130. Moreover, Section 9.02(b)(A)(5) requires the consent of each Lender "directly and adversely affected" by an "agreement" that "change[s] any of the provisions of [Section 9.02]." Section 9.02(A)(6) in turn requires the consent of each Lender "directly and adversely affected" by an "agreement" that amends or modifies provisions of Section 2.18 with respect to the pro rata application of payments except in connection with transactions permitted under, *inter alia*, Section 9.05(g).

131. The Amended Agreements constituted an integrated agreement (or, alternatively, integrated agreements). The same parties executed the Amended Agreements and other documents that together constituted the Uptiering Transaction on the same date for the same purpose. In the amendments to the Original Agreements, Robertshaw and the new Administrative Agents referenced entry into the Super-Priority Credit Agreement, in which Defendant Lenders and Robertshaw expressly committed to the purported exchange. These contracts expressly cross-reference each other. For example, in the contract purportedly adopting the Amended Agreements, Defendant Lenders "acknowledge[d] and agree[d] that the borrowing and/or incurrence of the Priority Term Loans (as defined in the Amended Credit Agreement) under the Super-Priority Credit Agreement and the other transactions contemplated by

or occurring pursuant to the Super-Priority Credit Agreement" were permitted under the Original Agreements. On information and belief, Defendants would not have consented to the Amended Agreements, which stripped the First Lien and Second Lien Lenders of protective covenants, had they not contemporaneously agreed to assign their First Lien and Second Lien Loans back to Robertshaw and reduce the debt to zero in exchange for new Super-Priority Loans.

132. The Uptiering Transaction directly and adversely affected Plaintiffs. This Uptiering Transaction subordinated Plaintiffs' First Lien and Second Lien Loans to Defendant Lenders' purported Super-Priority Loans. As a result, the risk of loss on the First Lien and Second Lien Loans that Plaintiffs hold significantly increased. If Robertshaw is unable to pay off all its outstanding debt—which is likely given its current liquidity constraints—there is a substantial risk that it will not repay much, if any, of the subordinated debt. The market value of Plaintiffs' First Lien and Second Lien Debt has plunged due to this increase in the risk of loss.

133. The Scheme also purported to reduce the principal amount of Defendant Lenders' First Lien and Second Lien Loans to zero by retiring and cancelling those Loans immediately upon assignment to Robertshaw.

134. The Scheme purported to change the scope of a Lender's sacred right under Section 9.02(A)(6) against other Lenders' non-pro rata assignment of their Loans to Robertshaw by vastly expanding the language of Section 9.05(g)—an exception to that sacred right—to allow Defendant Lenders to assign their First Lien and

Second Lien Loans to Robertshaw through methods other than those permitted under the Original Agreements.

135. Under Sections 9.02(b)(A)(5) and 9.02(b)(A)(2) of the Original Agreements, the Scheme's amendments to the Original Agreements through entering the Amended Agreements could not be valid unless Plaintiffs consented. They did not, and the Amended Agreements are thus invalid.

136. Plaintiffs seek a declaration that the Amended Agreements are not valid and enforceable contracts and are thus void.

SECOND CAUSE OF ACTION
Declaratory Judgment
(All Plaintiffs Against Robertshaw)

137. Plaintiffs incorporate the preceding paragraphs.

138. Plaintiffs and Robertshaw are parties to, or assignees and successors in interest to, the Original Agreements.

139. The Original Agreements are valid and enforceable contracts.

140. Plaintiffs performed all their obligations under the Original Agreements.

141. Section 7.01(a) provides that "[f]ailure by [Robertshaw] to pay … (ii) any interest on any Loan … due hereunder within five Business Days after the date due" constitutes an Event of Default.

142. An interest payment on the First Lien and Second Lien Loans was due under the Original Agreements on September 29, 2023.

143. Robertshaw did not make an interest payment on the First Lien and Second Lien Loans within five Business Days after September 29, 2023.

144. Plaintiffs seek a declaration that an Event of Default has occurred under the Original Agreements.

THIRD CAUSE OF ACTION
Breach of Contract
(All Plaintiffs Against Robertshaw)

145. Plaintiffs incorporate the preceding paragraphs.

146. Plaintiffs and Robertshaw are parties to, or assignees and successors in interest to, the Original Agreements.

147. The Original Agreements are valid and enforceable contracts.

148. Plaintiffs performed all of their obligations under the Original Agreements.

149. Under Sections 2.13 and 2.18 of the Original Agreements, an interest payment on the First Lien and Second Lien Loans was due on September 29, 2023. Robertshaw has not paid the interest due on September 29, 2023.

150. Section 5.01(b) of the Original Agreements requires Robertshaw to release enumerated financial statements "[a]s soon as available" and at latest no more than "45 days … after the end of each of the first three Fiscal Quarters." Section 5.01(c) of the Original Agreements requires Robertshaw to release enumerated financial statements "[a]s soon as available" and at latest no more than 120 days after the end of each Fiscal Year of Holdings. Section 5.01(h) of the Original Agreements requires Robertshaw to release "a consolidated plan and financial forecast" for each Fiscal Quarter of each Fiscal Year "[a]s soon as practicable" and at latest no more than 120 days after the end of each Fiscal Year. Since the Uptiering Transaction,

Robertshaw has failed to release the enumerated financial statements required by Section 5.01(b) within 45 days after the end of the first three Fiscal Quarters. Robershaw has also failed to release the annual financial statements, consolidated plans, and financial forecasts required by Sections 5.01(c) and 5.01(h) within 120 days after the end of the Fiscal Year that ended on March 31, 2023.

151. Section 6.01 of the Original Agreements prohibits Robertshaw from "creat[ing], incur[ring], assum[ing] or otherwise become liable with respect to any Indebtedness" except for specific enumerated categories of permitted Indebtedness. The Super-Priority Loans are Indebtedness that do not fall into any of the enumerated categories of permitted Indebtedness. By incurring, creating, assuming, and permitting the existence of the Super-Priority Loans, Robertshaw breached Section 6.01 of the Original Agreements.

152. Section 6.02 of the Original Agreements prohibits Robertshaw from "creat[ing], incur[ring], assum[ing] or permit[ting] to exist any Lien on or with respect to any property or asset of any kind" except for specific enumerated categories of permissible Liens. The Super-Priority Loans are purportedly secured by Liens that do not belong to any of the specific enumerated categories of Permitted Liens. By incurring, assuming, and permitting the existence of the Liens securing the Super-Priority Loans, Robertshaw breached Section 6.02 of the Original Agreements.

153. Section 9.05(b) of the Original Agreements permits a Lender to "assign to one or more Eligible Assignees all or a portion of its rights and obligations under [the Original Agreements]" under certain circumstances. The definition of "Eligible

Assignee" provides, however, that it "shall not include … (iv) except as permitted under Section 9.05(g), (A) Holdings or any Borrower or any Subsidiary thereof," which includes Robertshaw.

154. Section 9.05(g) of the Original Agreements permits a Lender to "assign all or a portion of its rights and obligations under [the Original Agreements] in respect of its Term Loans" to Robertshaw on a "non-*pro rata* basis" only if the assignment occurs "(A) through Dutch Auctions open to all applicable Lenders on a *pro rata* basis or (B) through open market purchases."

155. In the Uptiering Transaction at issue, Defendant Lenders purported to assign their First Lien and Second Lien Loans to Robertshaw on a non-pro rata basis. Defendant Lenders did not assign their First Lien and Second Lien Loans to Robertshaw through a Dutch Auction, and the Excluded Lenders were not invited to participate on a pro rata basis. Robertshaw also did not exchange Defendant Lenders' First Lien and Second Lien Loans for Super-Priority Loans through open market purchases. Because the assignment did not occur through the permitted methods under Section 9.05(g) of the Original Agreements, the Uptiering Transaction breached Section 9.05(b) of the Original Agreements and was therefore invalid.

156. Robertshaw's conduct damaged Plaintiffs.

157. *First*, for breach of Sections 6.01, 6.02, and 9.05 of the Original Agreements, Plaintiffs seek avoidance of the Uptiering Transaction and the interest payments Defendant Lenders received on their Super-Priority Loans.

158. Avoidance is the appropriate remedy because monetary damages are difficult to measure as Robertshaw's projected liquidity and the value of the collateral are constantly changing, and the secondary market for the First Lien and Second Lien Debt is illiquid.

159. As an alternative to voiding the Uptiering Transaction, Plaintiffs seek damages in an amount to be determined at trial.

160. *Second*, for Robertshaw's missed interest payment, Plaintiffs seek damages in an amount to be determined at trial.

161. *Third*, Plaintiffs' deprivation of the information they are entitled to receive as Lenders of Robertshaw under Section 5.01 of the Original Agreements cannot easily be remedied through other measures because the information is in the unique possession of Robertshaw.

162. Plaintiffs therefore seek specific performance of Robertshaw's contractual obligation under Sections 5.01(b), 5.01(c), and 5.01(h) of the Original Agreements, including by providing financial statements for each Fiscal Quarter stating from the first Fiscal Quarter in Fiscal Year 2023.

163. Alternatively, Plaintiffs seek damages in an amount to be determined at trial for deprivation of the information they are entitled to receive as Lenders of Robertshaw under Section 5.01 of the Original Agreements.

FOURTH CAUSE OF ACTION
Breach of Contract
(First Lien Plaintiffs Against Robertshaw)

164. Plaintiffs incorporate the preceding paragraphs.

165. Plaintiffs who hold First Lien Loans ("First Lien Plaintiffs") and Robertshaw are parties to, or assignees and successors in interest to, the Original First Lien Agreement.

166. The Original First Lien Agreement is a valid and enforceable contract.

167. The First Lien Plaintiffs performed all of their obligations under the Original First Lien Agreement.

168. Section 6.05(b) of the Original First Lien Agreement prohibits Robertshaw from "mak[ing], directly or indirectly, any repayment or other distribution (whether in Cash, securities or other property) on or in respect of principal of or interest on any Junior Indebtedness, or any payment or other distribution (whether in Cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination in respect of any Junior Indebtedness" except for certain enumerated categories of permitted payments. In Section 1.01, Junior Indebtedness is defined to include "any Indebtedness secured by Liens junior to the Lien of the Administrative Agent with respect to the Collateral…."

169. The Second Lien Loans are Junior Indebtedness under the Original First Lien Agreement.

170. In the Uptiering Transaction, Robertshaw has made distributions in respect of the Second Lien Loans held by Defendant Lenders, including on account of the redemption, requirement, acquisition, cancellation, or termination of that Debt. These distributions did not fall into any of the categories of permitted payments and

distributions in respect of Junior Indebtedness. By making these distributions, Robertshaw breached Section 6.05(b).

171. Robertshaw's conduct damaged the First Lien Plaintiffs.

172. The First Lien Plaintiffs seek avoidance of the Uptiering Transaction and the interest payments Defendant Lenders received on their Super-Priority Loans.

173. Equitable relief is the appropriate remedy because monetary damages are difficult to measure as Robertshaw's projected liquidity and the value of the collateral are constantly changing, and the secondary market for the First Lien and Second Lien Loans is illiquid.

174. Alternatively, Plaintiffs seek damages in an amount to be determined at trial.

FIFTH CAUSE OF ACTION
Breach of Contract
(All Plaintiffs Against Defendant Lenders)

175. Plaintiffs incorporate the preceding paragraphs.

176. Plaintiffs and Defendant Lenders are parties to, or assignees and successors in interest to, the Original Agreements.

177. The Original Agreements are valid and enforceable contracts.

178. Plaintiffs performed all of their obligations under the Original Agreements.

179. Section 2.18(c) of the Original Agreements require that any Lender who "obtain[s] payment in respect of any principal of or interest on any of its Loans of any

Class" that is greater than its pro rata share "shall purchase (for Cash at face value) participations in the Loans of other Lenders of such Class at such time outstanding to the extent necessary so that the benefit of all such payments shall be shared by the Lenders of such Class ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans of such Class."

180. The Uptiering Transaction provided Defendant Lenders with payments on their First Lien and Second Lien Loans that were greater than their pro rata share because Plaintiffs, who held loans in the same Class as Defendant Lenders, did not receive any payments in the Uptiering Transaction. Defendant Lenders did not purchase participations in Plaintiffs' First Lien and Second Lien Loans to the extent necessary to ensure that the benefits of the overpayments were shared ratably. By failing to do so, Defendant Lenders breached Section 2.18(c).

181. Defendant Lenders' conduct damaged Plaintiffs.

182. Plaintiffs seek specific performance of Section 2.18(c) of the Original Agreements, which requires Defendant Lenders to buy enough of Plaintiffs' First Lien and Second Lien Loans for cash at face value to ensure that all First Lien and Second Lien Lenders receive the benefit of the Uptiering Transaction to the same extent as Defendant Lenders.

183. As an alternative to specific performance of Section 2.18(c), Plaintiffs seek avoidance of the Uptiering Transaction and the interest payments Defendant Lenders received on their Super-Priority Loans.

184. Equitable relief is the appropriate remedy because monetary damages are difficult to measure as Robertshaw's projected liquidity and the value of the collateral are constantly changing, and the secondary market for the First Lien and Second Lien Debt is illiquid.

185. Alternatively, Plaintiffs seek damages in an amount to be determined at trial.

SIXTH CAUSE OF ACTION
Breach of Contract
(All Plaintiffs Against Robertshaw)

186. Plaintiffs incorporate the preceding paragraphs.

187. Plaintiffs bring this claim in the alternative to their first five claims, only if Robertshaw and Defendant Lenders validly amended the Original Agreements and adopted the Amended Agreements.

188. Plaintiffs and Robertshaw are parties to, or assignees and successors in interest to, the Amended Agreements.

189. The Amended Agreements are valid and enforceable contracts.

190. Under Sections 2.13 and 2.18 of the Amended Agreements, an interest payment on the First Lien and Second Lien Loans was due on September 29, 2023. Robertshaw has not paid the interest due on September 29, 2023.

191. Robertshaw's conduct damaged Plaintiffs.

192. Plaintiffs seek damages in an amount to be determined at trial for the missed interest payment.

SEVENTH CAUSE OF ACTION
Breach of the Implied Covenant of Good Faith and Fair Dealing
(All Plaintiffs Against Robertshaw and Defendant Lenders)

193. Plaintiffs incorporate the preceding paragraphs.

194. Every contract contains an implied covenant of good faith and fair dealing, which requires contract parties to refrain from doing anything that will have the effect of destroying or injuring the right of the other parties to receive the fruits of the contract.

195. The conduct of Robertshaw and Defendant Lenders in adopting the Amended Agreements breached the implied covenant by denying Plaintiffs the fruits of the Original Agreements (or, alternatively, by abusing their purported discretion under the Amended Agreements). The Amended Agreements were part of a Scheme that destroyed Plaintiffs' security, effectively turning their priority debt into junior debt that ranked below new Super-Priority Loans and thus gutting the value of their loans. Robertshaw and Defendant Lenders negotiated the Scheme in secret. They intentionally undermined Plaintiffs' efforts to provide additional financing to Robertshaw, to Defendant Lenders' benefit and to Plaintiffs' detriment. And they executed the Scheme with an intent to harm Plaintiffs. This conduct so violates the standards of reasonable commercial conduct as to breach the implied covenant.

196. The conduct of Robertshaw and Defendant Lenders in entering into the Uptiering Transaction breached the implied covenant by abusing their amendment right under the Original Agreements. The Uptiering Transaction effectively deprived Plaintiffs of their rights to scheduled interest payments and periodic financial

reporting by Robertshaw. Those are Plaintiffs' bargained-for rights under the Original Agreements. No Lender would have agreed to such terms *ex ante*.

197. Robertshaw and Defendant Lenders' conduct damaged Plaintiffs.

198. Plaintiffs seek avoidance of the Uptiering Transaction and the interest payments Defendant Lenders received on their Super-Priority Loans.

199. Alternatively, Plaintiffs seek a declaration that the Amended Agreements are not valid and enforceable contracts and are thus void.

200. Equitable relief is the appropriate remedy because monetary damages are difficult to measure as Robertshaw's projected liquidity and the value of the collateral are constantly changing, and the secondary market for the First Lien and Second Lien Loans is illiquid.

201. Alternatively, Plaintiffs seek damages in an amount to be determined at trial.

EIGHTH CAUSE OF ACTION
Tortious Interference with Contract
(All Plaintiffs Against One Rock)

202. Plaintiffs incorporate the preceding paragraphs.

203. The Original Agreements are valid and enforceable contracts.

204. One Rock was not a party to the Original Agreements.

205. One Rock knew of the Original Agreements because it served as a sponsor of the Original Agreements and because it is the controlling owner of Robertshaw, which executed the Original Agreements and because its employees sit on Robertshaw's Board of Directors.

206. On information and belief, One Rock concocted the Uptiering Transaction, contrary to Robertshaw's interests.

207. One Rock's conduct was not economically justified, including because inviting all Lenders to propose refinancing solutions and selecting from the competing offers would have likely produced terms more favorable to Robertshaw.

208. One Rock intentionally and improperly induced Robertshaw and Defendant Lenders to breach the Original Agreements by participating in the Uptiering Transaction. In doing so, One Rock acted with malice, in bad faith, and without justification.

209. Stripping Plaintiffs of their priority and pro rata sharing rights as part of the Uptiering Transaction provided no economic benefit to Robertshaw. It only benefited Defendant Lenders and One Rock.

210. Stripping Plaintiffs of their information rights under the Original Agreements as part of the Uptiering Transaction provided no economic benefit to Robertshaw nor One Rock. One Rock induced Robertshaw to implement such amendments to the Original Agreements solely in bad faith and to harm the Excluded Lenders, including Plaintiffs.

211. Plaintiffs seek damages in an amount to be determined at trial, including punitive damages.

NINTH CAUSE OF ACTION
Violation of New York Uniform Voidable Transaction Act §§ 273, 276, 276-a
(All Plaintiffs Against Robertshaw and Defendant Lenders)

212. Plaintiffs incorporate the preceding paragraphs.

213. Under the Original Agreements, Plaintiffs bargained for and received the right to receive senior priority and pro rata payments, like all other First Lien and Second Lien Lenders. In the Transaction, Robertshaw and Defendant Lenders stripped Plaintiffs of these rights and subordinated Plaintiffs in right of payment and security to the Super-Priority Loans.

214. The Uptiering Transaction transferred assets to Defendant Lenders, in the form of Super Priority Liens on Robertshaw's proceeds and collateral.

215. Robertshaw made these transfers and incurred these obligations with actual intent to hinder or delay Plaintiffs to the benefit of Defendant Lenders.

216. Plaintiffs' right to senior priority arose prior to the Uptiering Transaction.

217. The transfers made and obligations incurred by Robertshaw to the benefit of Defendant Lenders reflect many of the badges of fraud set forth in New York Uniform Voidable Transactions Act § 273(b).

218. Robertshaw and Defendant Lenders concealed the Uptiering Transaction from Plaintiffs and did not give them the opportunity to consent or dissent from the Amended Agreements. Robertshaw repeatedly represented to Plaintiffs and others that it did not face liquidity issues and that its financials remained healthy.

219. Robertshaw did not invite Plaintiffs and other Excluded Lenders to participate in the Transaction until after it reached an agreement with Defendant Lenders to amend the Original Agreements and exchanged the latter's First Lien and Second Lien Loans for the new Super-Priority Loans. By that time, not much was left for

Plaintiffs and other Excluded Lenders, and the belated offer to join was on substantially worse terms. It negated Plaintiffs the rights they bargained for and subordinated their rights to those of Defendant Lenders, with whom Plaintiffs were entitled to be on an equal footing.

220. The Uptiering Transaction was also structured to benefit One Rock, the equity sponsor of Robertshaw. Through the Transaction, One Rock could secure incremental financing for Robertshaw without diluting its equity position in Robertshaw.

221. The Uptiering Transaction marked Robertshaw's incurrence of a substantial debt. Robertshaw issued hundreds of millions of dollars of Super-Priority Loans, with purportedly senior priority claims to payment and collateral than Plaintiffs' Debt.

222. The transfers made and obligations incurred in the Uptiering Transaction violate New York Uniform Voidable Transactions Act § 273.

223. Pursuant to New York Uniform Voidable Transactions Act §§ 273 and 276(a), all transfers made and obligations incurred by Robertshaw to the benefit of Defendant Lenders are voidable and should be unwound, and the interest payments Defendant Lenders received on their Super-Priority Loans should also be avoided.

224. Equitable relief is the appropriate remedy because monetary damages are difficult to measure as Robertshaw's projected liquidity and the value of the collateral are constantly changing, and the secondary market for the First Lien and Second Lien Loans is illiquid.

TENTH CAUSE OF ACTION
Violation of New York Uniform Voidable Transaction Act §§ 274, 276, 276-a
(All Plaintiffs Against Robertshaw and Defendant Lenders)

225. Plaintiffs incorporate the preceding paragraphs.

226. Under the Original Agreements, Plaintiffs bargained for and received the right to receive senior priority and pro rata payments, like all other First Lien and Second Lien Lenders. In the Uptiering Transaction, Robertshaw and Defendant Lenders stripped Plaintiffs of these rights and subordinated Plaintiffs in right of payment and security to the Super-Priority Loans.

227. The Uptiering Transaction transferred assets to Defendant Lenders, in the form of Super Priority Liens on Robertshaw's proceeds and collateral.

228. One Rock and Defendant Lenders intentionally and without authority interfered with Plaintiffs' right to receive pro rata payments and senior priority by causing Robertshaw to transfer those rights to Defendant Lenders. As pleaded above, Robertshaw was worse off as a result of this Scheme, paying higher interest rates and facing a shorter maturity date on substantial debt.

229. Robertshaw made these transfers and incurred these obligations without receiving a reasonably equivalent value in exchange from Defendant Lenders.

230. Robertshaw was insolvent at the time of the Uptiering Transaction because it did not have sufficient assets on its balance sheet and cash flow to satisfy upcoming debt obligations.

231. As of December 31, 2022, Robertshaw had $20 million in cash on hand and a consolidated adjusted EBITDA of approximately $90 million, while the maturity date of $485 million in First Lien Loans was coming up on February 28, 2025,

and the maturity date of an additional $110 million in Second Lien Loans was coming up on February 28, 2026. By the time of the Uptiering Transaction, Robertshaw did not have the ability to repay the First Lien and Second Lien Loans as they become due.

232. During the December 7, 2022 lender call, Robertshaw stated that it was making an investment in past due balances with its vendor base to facilitate the flow of products to complete a production that was in progress, indicating that it was unable to satisfy the payables to its vendors.

233. Starting September 2023, Robertshaw has not paid interest on the Leveraged Loans.

234. The Uptiering Transaction marked Robertshaw's incurrence of a substantial debt. Robertshaw issued hundreds of millions of dollars of Super-Priority Loans, with purportedly senior liens than Plaintiffs' Debt.

235. The transfers made and obligations incurred in the Uptiering Transaction violate New York Uniform Voidable Transactions Act § 274.

236. Pursuant to New York Uniform Voidable Transactions Act §§ 274 and 276(a), all transfers made and obligations incurred by Robertshaw to the benefit of Defendant Lenders are voidable and should be unwound, and the interest payments Defendant Lenders received on their Super-Priority Loans should also be avoided.

237. Equitable relief is the appropriate remedy because monetary damages are difficult to measure as Robertshaw's projected liquidity and the value of the

collateral are constantly changing, and the secondary market for the First Lien and Second Lien Loans is illiquid.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief as follows:

a) A declaratory judgment that the Amended Agreements are void;

b) A declaratory judgment that an Event of Default has occurred under the Original Agreements;

c) Avoidance of all transfers made, liens, and obligations incurred, in the Uptiering Transaction;

d) Specific performance of Section 2.18(c) of the Original Agreements, requiring Defendant Lenders to buy enough of Plaintiffs' debt to ensure that all First Lien and Second Lien Lenders receive the benefit of the Uptiering Transaction to the same extent as Defendant Lenders;

e) Specific performance of Section 5.01 of the Original Agreements, requiring Robertshaw to provide certain financial statements;

f) Money damages in amounts to be determined at trial, together with pre- and post-judgment interest at the maximum rate allowed by law;

g) Indemnification from Robertshaw pursuant to Section 9.03(b) of the Original Agreements for costs and expenses, including attorney's fees, in an amount to be determined following trial; and

h) Any other relief the Court deems just and proper.

Dated: New York, NY
November 29, 2023

Respectfully submitted,
SELENDY GAY ELSBERG PLLC

By: /s/ *Jennifer M. Selendy*

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