



STR Holdings, Inc. Provides Update on the Ongoing Wind-Down of its Business and Operations

STR Holdings, Inc. (STRI or the "Company") is providing today an update on the ongoing wind-down of its business and operations.

STR Holdings, Inc. (OTCMKTS:STRI)

TOLLAND, CT, USA, July 25, 2022 [/EINPresswire.com/](https://www.einpresswire.com/) -- As announced on May 17, 2021, the Company's Board of Directors (the "Board") previously unanimously approved the orderly wind-down of the Company's business and operations. While the Board continues to believe that the adoption of a stockholder-approved formal Plan of Liquidation and Dissolution would have further facilitated an orderly wind-down of the Company, the Company has been unable to obtain the needed support of its major stockholder for such a Plan. In the alternative, as directed by the Board, and previously announced, the Company is continuing to effect the windup of its business and operations through a more informal process.



In connection with these efforts, the Company is continuing to (i) convert its remaining assets to cash, (ii) dissolve and liquidate subsidiaries to mitigate continuing cost or liability, (iii) determine, discharge or otherwise provide for payment of known and contingent liabilities, (iv) fulfil its remaining obligations under the Asset Purchase Agreement (the "APA") with H. B. Fuller Company ("H.B. Fuller"), (v) collect all sums owed to the Company under the APA, or otherwise, and (vi) pay its ongoing expenses. Thereafter, the Company intends to distribute pro rata in one or more distributions its remaining cash to its stockholders, to the extent that the Board determines that such cash is legally available for such distribution.

In pursuit of these objectives, the Company has accomplished the following:

- Completed its transition services to H. B. Fuller under the APA;
- Successfully met the obligations of the contingent performance payment of \$1.7 million from H. B. Fuller under the APA, and collected such payment;
- Successfully negotiated the payment by H.B. Fuller of \$550,000 of the \$800,000 holdback amount under the APA, with the balance of \$250,000 remaining subject to payment if certain conditions are met;
- Ceased all manufacturing operations globally;
- Completed the sale of its Spanish subsidiary following emergence from the insolvency process in Spain (the Company remains subject to continuing litigation in connection with that process);
- Initiated the formal dissolution process for each of its other foreign subsidiaries; and
- Completed the sale of, and vacated, its former headquarters located at 10 Water Street, Enfield, CT.

The Company is engaged with advisors to assist it in navigating the process of preparing the Company for a distribution to shareholders outside of a formal dissolution process. The Company reiterates that its estimate of funds that will be legally available for distribution remains in the range of \$0 to \$5 million (1). The Company is targeting, but does not guarantee, making a distribution to shareholders prior to the end of 2023.

The amount and timing of distributions, if any, will depend upon and could be affected, delayed or eliminated by, among other things, (i) the timing and amount, if any, of further deferred and contingent payments the Company receives pursuant to the Asset Sale, (ii) the amount and timing of claim settlements and reserves set aside to address creditors and contingent liabilities, (iv) the expenses incurred by the Company, and (v) the timing and net proceeds received on the disposition of its remaining non-cash assets. The Company's major stockholder, or any other stockholder, could seek to interfere with, delay or cause the Company to abandon its wind-down plan. In addition, a creditor could seek an injunction against, or otherwise seek to interfere with the making of distributions to our stockholders, on the ground that the amounts to be distributed were needed to provide for the payment of our liabilities and expenses. Any such actions by a stockholder or a creditor could delay, reduce or eliminate the amount available for distribution to our stockholders, or otherwise cause the Company to abandon its wind-down plan. The Company cannot assure that any funds will become available for distribution or be distributed to its stockholders.

(1) As of the date of this press release, the Company has 20,152,029 shares of common stock issued and outstanding.

Forward-Looking Statement Disclaimer:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to inherent risks and uncertainties, including statements regarding the Company's proposed winding down of its operations and the amount and timing of distributions, if any, to its stockholders. The Company is currently unable to predict the amount or timing of such distributions, if any. The amount and timing of such distributions will depend on and could be affected, delayed or eliminated by any number of risks and uncertainties, many of which are not in the control of the Company, including without limitation those discussed in this press release. Moreover, the Board may modify or abandon its plan to wind-down its business and operations at any time. The Company undertakes no obligation to publicly update any forward-looking statement contained in this press release, whether as a result of new information, future developments or otherwise, except as may be required by law.

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