

STR Holdings, Inc. Provides Update

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

TOLLAND, CONNECTICUT, UNITED STATES, July 24, 2023

/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.



The Company announced on July 25, 2022, that it had ceased all manufacturing operations and was making progress toward an efficient wind-down of the Company's business, with the ultimate goal of maximizing the benefit to shareholders in the form of a distribution of the Company's cash.

Since July of 2022, the Company has accomplished the following:

- Successfully defended and extinguished all legal cases relating to the termination and severance of the employees of the Company's former subsidiary, Specialized Technology Resources España, S. A. U.
- Filed various legal actions in India against Lucent Clean Energy PVT LTD demanding payment of monies owed to us for prior raw material and equipment sales. These actions are ongoing.
- Reduced recurring executive & director compensation, professional fees, banking fees & IT fees by more than 70% vs. already-reduced levels in 2022.
- Officially dissolved our business entities in Malaysia and China.
- Continued the formal closing of our administrative entity in Hong Kong, expected within 2023.
- Collected the remaining holdback of \$250,000 from H.B. Fuller related to the sale of the Company's North American assets in January of 2021.

- Managed the Company's affairs to maintain our estimated range of \$0 to \$5 million for shareholder distribution.

- Secured the unanimous support of our Board of a Plan of Liquidation and Dissolution for the Company, subject to the approval of our stockholders. We are working with our major stockholder to obtain its formal approval of the plan which, if and when approved by a majority of the shares of our outstanding stock, will allow the Company to file a Certificate of Dissolution with the Secretary of State of Delaware at the appropriate time vis-à-vis the litigation detailed herein. Following the effective date of the Certificate of Dissolution, we would be able to commence the formal dissolution process, which we plan to conduct under the supervision of the Delaware Chancery Court.

As of the date of this publication, the Company, its executives, and certain former business partners remain subject to a legal proceeding brought by former employees, related to the sale of Specialized Technology Resources España, S.A.U. and certain of its assets. The Company maintains that the non-labor case is without merit.

The Company intends to distribute, pro rata in one or more distributions, its remaining cash to its stockholders, to the extent that such cash has been determined legally available for such distribution, and such distribution is approved by the Delaware Chancery Court. Cash is generally considered legally available for distribution once all potential liabilities have been paid, or otherwise provided for, in full.

The Company reiterates that its estimate of funds that will be legally available for distribution remains in the range of \$0 to \$5 million. As of the date of this press release, the Company has 20,152,029 shares of common stock issued and outstanding.

The amount and timing of distributions, if any, will depend upon and could be affected, delayed or eliminated by, among other things, (i) the timeline for important litigation against us, the timing of which is beyond the Company's ability to control, (ii) the amount and timing of claim settlements and reserves set aside to address creditors and contingent liabilities, (iii) the expenses incurred by the Company, and (iv) 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 ensure that any funds will become available for distribution or be distributed to its stockholders.

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.

Investor Relations

STR Holdings, Inc.

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