IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
CHARACTER TECHNOLOGIES, INC.,[1]	Case No. 26-11603 (BLS)
Debtor.	Re: D.I. 15 & 66

JOINDER BY THE STATE OF ALASKA; STATE OF GEORGIA; THE PEOPLE OF THE STATE OF ILLINOIS BY ATTORNEY GENERAL KWAME RAOUL; STATE OF INDIANA; THE ATTORNEY GENERAL FOR THE STATE OF SOUTH DAKOTA; STATE OF UTAH, OFFICE OF THE UTAH ATTORNEY GENERAL; COMMONWEALTH OF VIRGINIA, *EX REL.* JAY JONES, ATTORNEY GENERAL; AND THE OFFICE OF THE WEST VIRGINIA ATTORNEY GENERAL TO THE COALITION OF STATES' OBJECTION TO THE DEBTOR'S MOTION PURSUANT TO SECTIONS 105, 363 AND 365 OF THE BANKRUPTCY CODE FOR ENTRY OF (I) AN ORDER (A) APPROVING BIDDING PROCEDURES AND BID PROTECTIONS, (B) SCHEDULING CERTAIN DATES AND DEADLINES WITH RESPECT THERETO, (C) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (D) APPROVING THE DESIGNATION OF DISNEY WORLDWIDE SERVICES, INC. AS STALKING HORSE PURCHASER WITH RESPECT TO THE DISNEY TARGET ASSETS, (E) AUTHORIZING THE DEBTOR TO DESIGNATE ADDITIONAL STALKING HORSE PURCHASERS FOR THE ASSETS AND (F) ESTABLISHING NOTICE AND PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES; AND (II) AN ORDER (A) AUTHORIZING AND APPROVING THE SALE OF ASSETS, (B) APPROVING THE ASSUMPTION OF THE TSA AND THE ASSUMPTION AND ASSIGNMENT OF THE ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (C) GRANTING RELATED RELIEF

COMES NOW, the State of Alaska; State of Georgia; The People of the State of Illinois by Attorney General Kwame Raoul; State of Indiana; The Attorney General for the State of South Dakota; State of Utah, Office of the Utah Attorney General; Commonwealth of Virginia, *ex rel.* Jay Jones, Attorney General; Office of the West Virginia Attorney General,[2] by and

[1] The Debtor and the last four digits of its taxpayer identification number are: Character Technologies, Inc. (8842). The Debtor's mailing address for purposes of the chapter 11 case is 700 El Camino Real, Suite 120, P.O. Box 1152, Menlo Park, CA 94025.

[2] Collectively, the "States."

through Abigail Rushing Ryan, Bankruptcy Counsel, National Association of Attorneys General, and hereby submits this joinder ("Joinder") to the *Coalition of States' Objection to the Debtor's Motion Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code for Entry of (I) an Order (A) Approving Bidding Procedures and Bid Protections, (B) Scheduling Certain Dates and Deadlines with Respect Thereto, (C) Approving the Form and Manner of Notice Thereof, (D) Approving the Designation of Disney Worldwide Services, Inc. as Stalking Horse Purchaser with Respect to the Disney Target Assets, (E) Authorizing the Debtor to Designate Additional Stalking Horse Purchasers for the Assets and (F) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases; and (II) an Order (A) Authorizing and Approving the Sale of Assets, (B) Approving the Assumption of the TSA and the Assumption and Assignment of the Assumed Executory Contracts and Unexpired Leases and (C) Granting Related Relief* [D.I. 66] (the "Coalition's Objection"). In support of the States respectfully state as follows:

STATEMENT OF JOINDER

The States fully joins, adopts, and incorporates herein by reference, the Coalition's Objection, and in support states: The proposed bidding procedures depart from a normal sale process open to higher bids. The stalking-horse bid is nothing more than a veiled attempt to buy releases for, among other things, possible fraudulent transfer actions. When the bid is broken down, the stalking-horse bid only benefits Disney and no other possible bidders because it includes: 1. a *non-exclusive* license, 2. The bankruptcy estate's release of Disney, 3. Disney's purchase of estate claims against the employees it hired, and 4. free and clear and good faith findings.

The Debtor retains the right to sell non-exclusive licenses to any party interested in a license, so this asset is not scarce, and as reflected in the chart below, the only other items that are part of the stalking-horse bid only benefit Disney.

The States ask that this Court sustain the Coalition's Objection and deny approval of the bidding procedures as written.

Disney Bid	Rivals Cannot Compete	Valuable? To Whom?
Non-exclusive IP License SHA § 3.1; Dkt. 15-2 at 7	Debtor retains the right to license the same IP to anyone. (Google already holds a 2024 nonexclusive license.)	**NOT SCARCE** Available to anyone. The Debtor may give nonexclusive licenses to others without the need of an auction.
Estate Releases of Disney SHA § 12.1; Dkt. 15 at 16–18	Covers Disney and its hires, incl. CEO. Hiring, know-how, and use of Licensed IP.	**VALUABLE ONLY TO DISNEY**
Purchased Employee Claims SHA § 5.2; Dkt. 15 at 19	Estate claims against Disney's hires. Debtor says these have no value.	**VALUABLE ONLY TO DISNEY**
Court Protections §§ 363(f), 363(m), 365(n); Dkt. 15 ¶ 24, at 13	Free-and-clear and good-faith findings. Shield license and releases.	**VALUABLE ONLY TO DISNEY**
If a rival bidder wins, Disney still keeps:		
Workforce, incl. CEO Dkt. 18, First Day Decl. ¶ 62	**Release from the winning bidder** Dkt. 15-1, Form TSA § 8.1, at 65	**$700K break-up fee** Owed if Disney is outbid Dkt. 15-1, Proposed Order ¶ 8

RESERVATION OF RIGHTS

The States reserve the right to be heard with respect to the Debtor's Motion and objections thereto; raise additional arguments during any hearing addressing the Debtor's Motion and objections; and to amend, modify, or supplement this Joinder.

Dated: October 28, 2026,

RESPECTFULLY SUBMITTED,

NAAG CLIENT STATES

/s/Abigail Rushing Ryan
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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing has been served via the Court's Electronic Filing System on all parties requesting notice in this proceeding on October 28, 2026.

/s/ Abigail Rushing Ryan
Abigail Rushing Ryan
Bankruptcy Counsel