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Proposed Counsel for Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

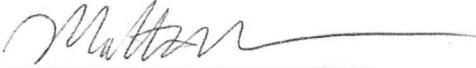
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In re:	:	Chapter 11
	:	
ADVANCE SCIENCE TECHNOLOGIES,	:	Case No. 17-13668 (SMB)
INC., and FS-IP LLC,	:	
	:	(Jointly Administered)
Debtors. ¹	:	
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CERTIFICATE OF SERVICE

I hereby certify that on January 29, 2018, I personally served a copy of the attached Notice/Letter on all parties listed on the attached service list (which list constitutes all holders of stock options in Fortior Solutions, Inc. for whom the Debtors have a valid email address), via electronic mail, at the email addresses indicated thereon.

I declare, under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the foregoing statement is true.

Dated: January 30, 2018


Matthew Pierce

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Advance Science Technologies, Inc. (6977); and FS-IP LLC (5674).



January 29, 2018

To: Fortior Solutions, Inc.
Optionholders

Re: Restructuring Impact on Outstanding Options

Ladies and Gentlemen:

As you know, Fortior Solutions, Inc. (the "Company") is currently working through the final steps of restructuring following the U.S. Navy's unexpected termination of the certification that had permitted the Company to provide our RAPIDGate[®] program services to Navy facilities. In late December, an overwhelming majority of our shareholders (representing over 97% of the shares voted) approved a restructuring plan for the Company that was the culmination of many months of negotiations with our senior secured lender, Goldman Sachs Specialty Lending Group, L.P. (the "Secured Lender"). The restructuring plan approved by the shareholders, and agreed to with our Secured Lender, included approval of the filing of a prepackaged Ch. 11 Plan of Reorganization with the U.S. Bankruptcy Court, Southern District of New York by two subsidiaries of the Company, Advance Science Technologies, Inc. ("AST") and FS-IP LLC ("FS-IP"), both of which were formed as part of the restructuring. The Plan of Reorganization was filed on December 29, 2017, shortly after the shareholders approved the restructuring and related matters. It is important to note that while the Company is a proponent of the Plan of Reorganization, the Company is not a debtor in the Ch. 11 case (the Company did not file for bankruptcy) and will continue to be the entity that will operate our government and critical infrastructure business after the restructuring is completed.¹

While the restructuring plan includes a number of complicated steps,² among the most important aspects is the Senior Lender's willingness to significantly reduce the Company's outstanding debt from nearly \$60 million to \$20 million, helping place the Company in a much more favorable financial position as we work to strengthen and build our business. Although there can be no guarantee that the restructured Company will be able to achieve the success we hope to attain over the long term, the Company believes the restructuring will preserve some value for all of our stakeholders, including our shareholders and our employees, by avoiding a foreclosure by the Secured Lender on the Company's assets and permitting the Company to continue to operate. The reason for this notice is that while the restructuring will, among other things, allow the Company to remain in business, as further discussed below, all outstanding options to purchase common stock of the Company will terminate in connection with the restructuring.

The next major date for the restructuring process is the confirmation hearing for the Company's Plan of Reorganization which the federal bankruptcy court has set for February 6, 2018 at

¹ Following is a link to the Information and Disclosure Statement (the "IDS") that was distributed to the Company's shareholders in connection with the shareholders meeting at which the restructuring plan was approved -- [\[https://dpntax5jbd3l.cloudfront.net/images/content/1/8/v3/183409/Information-and-Disclosure-Statement.pdf\]](https://dpntax5jbd3l.cloudfront.net/images/content/1/8/v3/183409/Information-and-Disclosure-Statement.pdf).

² The various steps of the restructuring are described in greater detail in the IDS, including in the Section titled "Your Ownership Following The Post-Petition Reorganization" set forth in Part II of the IDS.



10:00 a.m. (Eastern Time) in New York City.³ We are optimistic that the bankruptcy court will confirm the Plan of Reorganization at that hearing. Assuming the Plan of Reorganization is confirmed, it is expected that the remaining steps in the restructuring will be implemented very soon thereafter.

The first step that will take place following confirmation involves the creation of a holding company structure pursuant to which the Company will, for a very short time, become a 100% wholly-owned subsidiary of AST, with all outstanding shares of preferred and common stock of the Company, as well as all outstanding warrants and options, being automatically deemed to convert into an equal number of shares of preferred stock, common stock, warrants and options in AST, having substantially the same rights, preferences and privileges that those shares of stock, warrants and options had in the Company (the “Step One Merger”). While a number of additional steps will occur immediately after the Step One Merger, at the end of the restructuring process 100% of the stock of AST will be transferred to the Secured Lender, and the preferred stock, common stock and warrants in AST held by the Company’s other shareholders will be deemed to have been cancelled and exchanged for an equal number of shares of preferred stock, common stock and warrants of Fortior Solutions Holdings, Inc. (“FS Holdings”), also having substantially the same rights, preferences and privileges that those shares and warrants had in the Company and in AST.⁴

Although all outstanding options to purchase common stock of the Company will automatically be deemed to convert into options to purchase an equal number of shares of common stock of AST in connection with the Step One Merger, all of those stock options will immediately subsequently terminate in connection with the restructuring. As a result, any outstanding options that have not been exercised prior to commencement of the final steps of the restructuring process will terminate.

Optionees have the ability to exercise vested options prior to the final steps of the restructuring taking place, as noted in the IDS. However, the Company expects that in light of the Company’s current financial condition no options will be exercised. The Company recommends you carefully review the information contained in the IDS and discuss these matters with your financial, legal and tax advisors before making any decision regarding the exercise of options.

³ Attached is a copy of the notice of hearing which contains the details for that hearing. At that same time the bankruptcy court will also hear a motion filed by the debtors seeking an order placing certain notice and hearing procedures on transfers of the equity securities of the Company until the restructuring is completed. The purpose of that motion is to protect against shareholders transferring equity securities in a manner that could have an adverse effect on the availability of certain tax attributes owned by the Company and that potentially could have an adverse effect on the debtors. A copy of the notice of hearing for that matter is also attached. Other documents related to the bankruptcy proceeding are available here -- [<https://www.perkinscoie.com/en/advance-sciencetechnologies-inc-and-fs-ip-llc.html>].

⁴ The ownership structure of the reorganized entities, including the relative post-restructuring ownership percentages of the Company’s current shareholders and the Secured Lender, as well as the establishment of a long term incentive plan for certain key employees of the Company, is described in greater detail in Parts II and III of the IDS.



The Company is evaluating the possibility of creating new incentive compensation opportunities for employees after the restructuring is completed. No decision has been made, and no promises or offers are being made here. Any such decision would among other things be dependent upon careful consideration of the Company's financial circumstances.

If you have any questions or would like any additional information regarding the proposed restructuring plan, the bankruptcy court hearing or your stock options, please do not hesitate to call Sean Sullivan at (503) 924-5226 or email him at ssullivan@fortiorsolutions.com.

Thank you for your continued support.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Robell".

Jim Robell
President & CEO

Fortior Solutions

Option Holders at 1.29.18

For Service of Notice 01.29.18

Name	Email Addresses Redacted
Allen Ernie	
ANDAYA ERICSON	
Atkinson Theresa	
BARAC JEFF	
Beck B.G.	
BERGLOF SHERRY	
Bond Amber Willingham	
Brown Chase Barrett	
BRYANT LINDSAY	
BURDETTE JOSHUA	
BYRUM DAVE A	
Caldwell Richard W	
CAMPBELL SARAH	
Carter Michael	
Chase Daniel	
Collins USCG (ret) Thomas H	
Cowan Katherine H	
CROWLEY TRINA	
DADAJ MARTIN	
Davis James B	
DAVIS KYLE	
DeLeon Cristina	
DIEHL JESSICA	
Dunkley David	
Eason Tina	
EVANS ALISHA	
EVANS GEORGETTE C	
FASCHING CHRISTOFFER	
Foushee Ryan	
Fresques Cecilia	
GARCIA-GARCIA LUIS	
Green Ronald	
GRIGG ALICIA R	
GUSTAFSON NICHOLAS	
Hang Erin	
Hang Phillip	
HANSON CHRISTINA	
Hart Nicholas	
Hausa Aaron	
HEISLER MIRANDA	
Hendricks Gregory S	
Herrera Alberta D	

Higgins Devante
HO AN
HODSON NICOLE
HOLVERSON SETH
HOUSTON TIA
Humphrey Raymond F.
Infante Vanessa
Ingraham Laura
JAKUBOWSKI NICOLE
Johnson Brian



JONES AMANDA
KAUTZMANN CATHERINE MARIE
KENT EVAN
King Tresha
KLENOVICH MICHAEL
Larson Steve
LITTLEFIELD KIMBERLY
Lombrozo David E
Lyons Danielle
MAGNUM MAZIE K
MANOUS JOSHUA
MAZZAROLO AIMEE
MCCALLUM NATHAN
Mcgee Michael
METZ ELAINE
Meyer Joshua G
MORGAN CHELSEA
Munoz Isiah
NATH SHARINA
Nguyen Maria T
OHARA DENNIS
Olson Shawn E
Paris Rodney
Pierce Matthew W
POWICK CAROL ANNE
Priddy Greg
Ralph E. and Karen S. Eberhart JTWROS
Robell James F
ROBINSON-FAULKNER STEVIE
RODRIGUEZ NANCY
Rogers Philip
SAWYER CINDY
SCHNEIDER BENJAMIN
Schroeder Anthony M
Shapiro Isabel Y
Spilsbury Paul A

Stone Roni
Sturtevant Catherine A
SUGGS LUCAS
Sullivan Sean M
SUTHERLAND STEPHEN
TAVERA-AGUILAR YUSLY
Thiel Nicole
Tonole Steven
Waco Michelle
Walsh Kimberly
Webster Patricia
Wilson Charles
Winkler Lonnie
ZIMMERMAN KEONNA LYNN
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Grand Total