

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC,	)	CASE NO. 5:24-cv-2215
	)	
Plaintiff,	)	CHIEF JUDGE SARA LIOI
	)	
v.	)	
	)	<b>RECEIVER’S SEVENTEENTH REPORT</b>
LA SEMICONDUCTOR LLC, <i>et al.</i> ,	)	<b>FOR THE PERIOD FROM JANUARY 1,</b>
	)	<b>2026 THROUGH JANUARY 31, 2026</b>
Defendants.	)	

**I. INTRODUCTION**

On December 21, 2024, this Court appointed FTI Consulting, Inc. (“Receiver”), through Dr. Brian Kushner, Ms. Nicole Horton, and Mr. Carl Jenkins, as the receiver for Defendant LA Semiconductor LLC (“LAS” or the “Company”) and all of its assets, business, and affairs to the extent associated with maintaining and operating the Pocatello, Idaho wafer manufacturing facility (the “Fab”) and related equipment (the “Equipment”). The Court’s Temporary Order Appointing Receiver with Limited Powers (“Order Appointing Receiver”) [Doc. No. 7] required that “within 10 days of the entry of this Temporary Order, the Receiver shall file a report of the receivership’s receipts and expenditures and acts and transactions by the Receiver.” In accordance with this requirement, the Receiver submitted its Initial Report on December 31, 2024, documenting the Receiver’s discharge of its duties during the period beginning December 21, 2024, through and including December 30, 2024 [Doc. No. 14].

Subsequently, the Court extended the Order Appointing Receiver through January 27, 2025, by entering a supplemental Order on January 2, 2025 (“Supplemental Order”) [Doc. No. 18].

The Court then entered an Order on January 7, 2025 (“Order Requiring Receiver’s Reports”) [Doc. No. 21]. The Court requested that the Receiver file subsequent reports on January 13, 2025, and January 24, 2025. In accordance with the Order Requiring Receiver’s Reports, the Court directed the Receiver “to file supplemental reports of the receivership’s receipts and expenditures and acts and transactions” on the dates referenced above. In accordance with this requirement, the Receiver submitted its Second Report documenting the Receiver’s discharge of its duties during the period beginning December 31, 2024, through and including January 12, 2025 [Doc. No. 22], as well as its Third Report documenting the Receiver’s discharge of its duties during the period beginning January 13, 2025, through and including January 23, 2025 [Doc. No. 33].

The Court then entered an Order on January 22, 2025 (“Order Setting Hearing for February 19, 2025”) [Doc. No. 31], which required the Receiver to submit additional supplemental reports on February 7, 2025, and February 18, 2025. In accordance with this requirement, the Receiver submitted its Fourth Report documenting the Receiver’s discharge of its duties during the period beginning January 24, 2025, through and including February 6, 2025 [Doc. No. 36], and its Fifth Report documenting the Receiver’s discharge of its duties during the period beginning February 7, 2025, through and including February 17, 2025 [Doc. No. 45].

The Court entered the Stipulated and Agreed Order Appointing Receiver on February 19, 2025 (the “Stipulated Order”) [Doc. No. 48]. On March 21, 2025, the Receiver submitted its Sixth Report documenting the Receiver’s discharge of its duties during the period beginning February 18, 2025, through and including February 28, 2025 [Doc. No. 52]. On April 21, 2025, the Receiver submitted its Seventh Report documenting the Receiver’s discharge of its duties during the period beginning March 1, 2025, through and including March 31, 2025 [Doc. No. 59].

On May 20, 2025, the Receiver submitted its Eighth Report documenting the Receiver's discharge of its duties during the period beginning April 1, 2025, through and including April 30, 2025 [Doc. No. 63]. On June 20, 2025, the Receiver submitted its Ninth Report documenting the Receiver's discharge of its duties during the period beginning May 1, 2025, through and including May 31, 2025 [Doc. No. 75]. On July 18, 2025, the Receiver submitted its Tenth Report documenting the Receiver's discharge of its duties during the period beginning June 1, 2025, through and including June 30, 2025 [Doc. No. 81]. On August 20, 2025, the Receiver submitted its Eleventh Report documenting the Receiver's discharge of its duties during the period beginning July 1, 2025, through and including July 31, 2025 [Doc. No. 88]. On September 19, 2025, the Receiver submitted its Twelfth Report documenting the Receiver's discharge of its duties during the period beginning August 1, 2025, through and including August 31, 2025 [Doc. No. 104].

The Court entered the Amended Stipulated and Agreed Order Appointing Receiver on October 1, 2025 (the "Amended Stipulated Order") [Doc. No. 108].

On October 20, 2025, the Receiver submitted its Thirteenth Report documenting the Receiver's discharge of its duties during the period beginning September 1, 2025, through and including September 30, 2025 [Doc. No. 111].

On November 20, 2025, the Receiver submitted its Fourteenth Report documenting the Receiver's discharge of its duties during the period beginning October 1, 2025, through and including October 31, 2025 [Doc. No. 116].

On December 22, 2025, the Receiver submitted its Fifteenth Report documenting the Receiver's discharge of its duties during the period beginning November 1, 2025, through and including November 30, 2025 [Doc. No. 131].

On January 20, 2026, the Receiver submitted its Sixteenth Report documenting the Receiver's discharge of its duties during the period beginning December 1, 2025, through and including December 31, 2025 [Doc. No. 134].

## **II. BACKGROUND**

On December 19, 2024, Plaintiff Semiconductor Components Industries, LLC ("Plaintiff") initiated this case by filing its Verified Complaint for Temporary Restraining Order, Preliminary and Permanent Injunction, Declaratory Judgment and Other Relief (the "Complaint") [Doc. No. 1] seeking, among other things, redress for the breaches of the Agreements, misrepresentations, and fraud of Defendants relating to Plaintiff's sale of the Fab to LAS. The Court's Order Appointing Receiver found that since the closing of the Transaction on or about October 14, 2022, LAS has been and continues to be (i) insolvent or otherwise financially unstable, (ii) unable or unwilling to develop and maintain accurate financial records and reporting and (iii) unable or unwilling to pay its operating expenses, most of which had been voluntarily funded by Plaintiff in an effort to ensure LAS could continue to operate and supply Products to Plaintiff to avoid irreparable harm to Plaintiff and its customers.

The Receiver was appointed to take exclusive custody and control of the Company, including possession of the Assets of the Company, which includes all the funds, property, mail, and other assets of, in the possession of, or under the control of the Company including, but not limited to, all real property, inventory, intellectual property, licenses, personal property, equipment, accounts, accounts receivable, Revenues, IT and email systems, general intangibles, investment property, instruments, documents, bank accounts and amounts therein, and any other property of any nature whatsoever of the Company.

### **III. CRITICAL CONSIDERATIONS FOR MAINTAINING COMPANY'S BUSINESS AS USUAL**

As part of the Receiver's management and oversight of the Company, a number of issues were identified that require resolution to maintain ongoing operations without disruption. The following issues continue to require resolution:

1. The Receiver continues to address employee issues impacting day-to-day operations.
2. The management team and the Receiver continue to review all options to get access to PDKs and IP that support the independent operations in the Fab.
3. The sale process continues, with progress in identifying potential buyers who have signed NDA's; participating in update calls with the Remarketing Advisor, Macquarie; holding management presentations; managing the virtual data room for potential buyers who have requested a management meeting; answering questions and due diligence inquiries from potential buyers and hosting in-person visits in Pocatello, ID with potential buyers. The Sealed Bid Deadline resulted in multiple potential buyers providing LOI's, and also generated further interest in the sale process, leading to additional in-person visits.
4. The Receiver again requested an extension of the loan with The Evergreen Advantage, LLC ("Evergreen") to April 30, 2026. However, Evergreen was only willing to extend the Loan through March 1, 2026. The Receiver will continue seeking loan extensions from Evergreen to support ongoing operations and the sales process.

### **IV. ACTS AND TRANSACTIONS BY THE RECEIVER FROM JANUARY 1, 2026, THROUGH JANUARY 31, 2026**

The following summarizes the actions taken by the Receiver with the assistance of Tucker Ellis LLP ("Tucker Ellis") as Receiver's counsel, which were necessary to protect and preserve the Company and its Assets.

From January 1, 2026, through January 31, 2026, the Receiver maintained a regular presence at the Fab. The co-General Managers of the Fab have been running the day-to-day operations. The focus remains on optimizing the Fab output by promoting employee safety, production quality and efficiency, and developing customer solutions.

The Receiver engaged in the following activities and transactions during the reporting period (the following items are not meant to be an exhaustive list):

1. Operated the business under the terms specified in the Amended Stipulated Order;
2. Reviewed and approved all disbursements made by the Company. Completed the reconciliation of receipts and disbursements across all bank accounts;
3. Prepare materials to support the 2025 financial statement review;
4. Managed the cash accounting process on behalf of the Company and planned the next 13 weeks based on customer receipts and forecast disbursements by major category;
5. Continued working with the management team to optimize operations and improve output, including the pursuit Q1 2026 operating initiatives with a continued emphasis on safely operating and optimizing the Fab;
6. Supported human resources activities, including the following items:
  - a) Addressed day-to-day personnel issues;
  - b) Supported employees who received cost increases in their health plans; and
  - c) Addressed retention concerns and developed additional initiatives to mitigate associated retention issues;
7. Held multiple stakeholder meetings:
  - a) with onsemi to review operations;
  - b) with Macquarie to review tools, tool utilization, maintenance and operational status; and
  - c) with other key customers to address wafer production and shipment plans;

and

8. Prepared and negotiated multiple non-disclosure agreements with potential buyers.

**In Progress and Recurring Tasks:**

1. Developed financial forecasts for 2026 for both the Receivership and sales process scenarios;
2. Conducting communications with stakeholders, including customers, prospective customers, critical and other vendors;
3. Providing funding requests and supporting bi-weekly operational status updates to onsemi;
4. Meeting with different government organizations across Idaho to develop strategic relationships to support the ongoing operations and facilitate potential participation in the sales process of the Company;
5. Provided ongoing support to the sale process, including weekly interactions with Macquarie, meetings with stakeholders, preparation of answers to diligence questions, completing additional NDAs, holding management presentations and onsite visits;
6. Optimize production in the Fab by focusing on balancing the line, reducing variability and managing constraints;
7. Working with our largest customers to evaluate and implement projects to generate higher output capacity and improve quality manufacturing;
8. Participating in weekly meetings with the Fab's second largest customer to review operations, set up of tools, potential enhanced process throughput scenarios and develop a tactical forecast for the coming weeks;
9. Participating in daily tactical operations meetings on-site in Pocatello, ID;
10. Providing daily support to the co-General Managers;
11. Participating in a weekly strategic leadership meeting on-site in Pocatello, ID;

12. Participating in weekly meetings to discuss cost management and optimization processes to improve the overall operating efficiency of the facility. Determining goals, accountable employees, and timelines to achieve identified objectives;
13. Overseeing HR-related issues and their financial implications, including reviewing all hiring and disciplinary actions, analyzing the HR-related financial information, and reviewing the appropriateness of employee benefits;
14. In conjunction with counsel, continue to evaluate potential legal issues and employment risks as they arise, including with former employees;
15. Preparing Monthly Reports for the Receivership in accordance with the Amended Stipulated Order;
16. Preparing Monthly Reports for Evergreen; and
17. Preparing Monthly Fee Statements for the Receiver and Tucker Ellis in accordance with the Amended Stipulated Order.

**V. THE RECEIVERSHIP'S RECEIPTS AND EXPENDITURES FOR THE PERIOD JANUARY 1, 2026, THROUGH JANUARY 31, 2026**

The attached Exhibit 1 reflects all the Receiver's receipts and disbursements incurred for the period beginning January 1, 2026, through January 31, 2026.

**VI. CONCLUSION**

The Receiver, with assistance from Tucker Ellis, has provided services as described in this Report to protect, manage, and maintain the Assets of the Company.

Respectfully submitted,

/s/ William J. Stavole

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*Attorneys for Receiver FTI Consulting, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that on February 20, 2026, a copy of the foregoing was filed electronically. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

Respectfully submitted,

*/s/ William J. Stavole*

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**EXHIBIT 1**

USD	Prior Periods Dec 21, 24 - Dec 31, 25	Current Period Jan 1, 26 - Jan 31, 26	Total Period Dec 21, 24 - Jan 31, 26
<b>Receipts</b>			
Customers	\$6,213,304	\$196,300	\$6,409,604
Rent	6,250	-	6,250
onsemi Funding	37,703,386	2,900,000	40,603,386
Other	294,944	1,250	296,194
<b>Total Receipts</b>	<b>\$44,217,884</b>	<b>\$3,097,550</b>	<b>\$47,315,434</b>
<b>Disbursements</b>			
Payroll	22,646,504	1,734,829	24,381,333
Benefits	9,136,430	790,297	9,926,727
Insurance	1,942,431	721,442	2,663,873
Audit	74,511	-	74,511
Receiver	2,679,683	354,561	3,034,244
Materials	904,522	46,715	951,237
Tax	969,191	-	969,191
G&A	289,568	19,160	308,728
IT	550,168	28,687	578,855
Mortgage	4,972,500	-	4,972,500
<b>Total Disbursements</b>	<b>\$44,165,509</b>	<b>\$3,695,690</b>	<b>\$47,861,198</b>
<b>Net Cash</b>	<b>\$52,375</b>	<b>\$(598,140)</b>	<b>\$(545,765)</b>
<b>Beginning Cash</b>	<b>\$1,283,640</b>	<b>\$1,336,015</b>	<b>\$1,283,640</b>
<b>Ending Cash</b>	<b>\$1,336,015</b>	<b>\$737,876</b>	<b>\$737,876</b>