Case 24-50280-BLS Doc 31 Filed 05/21/25 Page 1 of 10 Docket #0031 Date Filed: 5/21/2025

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re:

EPIC! CREATIONS, INC., et al., 1

Debtors.

Claudia Z. Springer, Chapter 11 Trustee,

Plaintiff,

VS.

Voizzit Technology Private Ltd., Voizzit Information Technology LLC, Think and Learn Pvt. Ltd., and Rajendran Vellapalath

Defendants.

Chapter 11

Case No. 24-11161 (BLS)

(Jointly Administered)

Adv. Pro. No. 24-50280 (BLS)

(Jointly Administered)

Re. Adv. D.I. 1, 2, 3, 12 & 20

EMERGENCY MOTION TO ENFORCE PRELIMINARY INJUNCTION AND HOLD DEFENDANTS IN CONTEMPT

Claudia Z. Springer, not individually but as the Chapter 11 Trustee (the "<u>Trustee</u>") of Epic! Creations, Inc., Neuron Fuel, Inc., and Tangible Play, Inc. (the "<u>Debtors</u>," and each, a "<u>Debtor</u>"), through counsel, files this emergency motion (the "<u>Emergency Motion</u>") to enter the proposed order attached hereto as <u>Exhibit A</u>, (a) enforcing this Court's *Order Granting Chapter 11 Trustee's Motion for Entry of a Preliminary Injunction* [Adv. D.I. 20] (the "<u>PI Order</u>");² (b) finding the Purported Indian Order (defined below) to be void *ab initio* and unenforceable under United States

² Capitalized terms used herein and not defined shall have the meaning given to them in the PI Order.



The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Epic! Creations, Inc. (9113); Neuron Fuel, Inc. (8758); and Tangible Play, Inc. (9331).

law; (c) holding Defendants in contempt; (d) striking the letter filed by Indian counsel from this Court's docket; and (e) reserving the Trustee's rights to seek sanctions from Defendants. In support of this Emergency Motion, the Trustee respectfully states as follows:

PRELIMINARY STATEMENT

- 1. Defendants are now notorious in these Chapter 11 Cases for their relentless and brazen violations of the automatic stay and this Court's orders. It is therefore of little surprise that they have decided, once again, to blatantly violate the law, this time by obtaining an *ex parte* order from an India court purporting to enjoin the transfer of Epic's assets and demanding that the Trustee refrain for consummating the sale of Epic assets that this Court approved in its May 20, 2025 Sale Order [D.I. 724].
- 2. Defendants caused their Indian counsel to serve a copy of this order on the counsel for the Successful Bidder for Epic's assets. In addition, Indian counsel filed a copy of the letter with this Court without annexing the purported *ex parte* order and without associating with Delaware counsel in violation of the Court's Order barring his clients from participating in these cases until they comply with their discovery obligations. *See* D.I. 598.
- 3. Defendants' latest action violates the automatic stay, the PI Order, and the Bar Order (defined below), and should be immediately enjoined. The Trustee reserves all rights, including to seek additional sanctions against Defendants and their India counsel.

JURISDICTION AND VENUE

4. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b), and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012.

- 5. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A), (E), and (O). Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, the Trustee consents to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent the consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.
 - 6. Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

- 7. On December 10, 2025, the Trustee commenced this Adversary Proceeding by filing the Complaint for Temporary Restraining Order, Preliminary and Permanent Injunctive Relief, and to Enforce the Automatic Stay [Adv. D.I. 1] (the "Complaint"). As set forth in the Complaint, Defendants violated the automatic stay and this Court's orders by suing the Trustee and other parties in India and asking an India court to issue a "temporary prohibitory injunction" restraining the Trustee from "interfering" with the Defendants' attempt to access Estate property. See Ex. A to the Complaint.
- 8. On that same day, the Trustee filed a motion for entry of a temporary restraining order with this Court, seeking to enjoin the prosecution of the India lawsuit. The Court granted the TRO after notice and a hearing on December 11, 2024. [Adv. D.I. 12.]
 - 9. On December 18, 2024, this Court entered the PI Order, in which it ordered, in part:
 - Until further order from this Court, and pursuant to Federal Rule of Civil Procedure 65(a), as made applicable herein by Bankruptcy Rule 7065, each Defendant, and all persons acting in concert or participation with any Defendant, are enjoined from taking any act to continue prosecuting or otherwise litigating the claims asserted in the India Complaint or from commencing, prosecuting, or otherwise continuing any lawsuit or other proceeding regarding the Trustee, the Debtors, or property of their estates in any other

court, tribunal, or other adjudicative body or entity other than this Court.

(PI Order, ¶ 2 (emphasis added).)

- 10. On January 10, 2025, the Trustee served the PI Order and the TRO on, among others, Savram Legal, the firm that obtained the recent *ex parte* order. *See Declaration of Claudia Springer in Support of Emergency Motion to Enforce Preliminary Injunction and Hold Defendants in Contempt* at ¶ 4.
- 11. Despite this notice, Defendants have never complied with the PI Order. To the contrary, they continued to pursue the India litigation, which has required the Trustee to incur the cost and expenses of engaging India counsel to defend the India litigation, which remains pending.
- 12. At the same time, Defendants also refused to comply with this Court's discovery orders, ultimately resulting in this Court's March 26, 2025 Order Granting Chapter 11 Trustee's Motion to Compel Voizzit Technology Private, Ltd., Voizzit Information Technology LLC, and Rajendran Vellapalath to Comply with Rule 2004 Subpoenas and for other Relief Including Barring their Participation in these Chapter 11 Cases until they Comply with the Outstanding Subpoenas [D.I. 598] (the "Bar Order"). In the Bar Order, this Court ordered that Defendants "have no right to appear, be heard, or otherwise participate in these Chapter 11 Cases," until they fully satisfied their discovery obligations (which, no surprise, Defendants have never satisfied). [Id. at ¶ 3.]
- 13. After a lengthy sale process, on May 15, 2025, in accordance with the Bid Procedures Order, Hy Ruby Limited and the Trustee executed an Asset Purchase Agreement for the sale of Epic's assets (the "Epic APA").
- 14. On May 20, 2025, this Court approved the sale of Epic's assets to Hy Ruby Limited and entered the *Order Approving (I) The Sale of Epic! Creations, Inc.'s Assets Free and Clear of*

Liens, Claims, Interests and Encumbrances, (II) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection Therewith and (III) Granting Related Relief [D.I. 724] (the "Epic Sale Order" and the "Epic Asset Sale" as contemplated therein).

- 15. On May 21, 2025, Defendants filed an application in the India court seeking to stay the Trustee's sale of the Epic assets. Also on May 21, 2025, Anoop P.V. of Sarvam Legal sent a letter to the Trustee and her counsel (and to this Court and counsel for Hy Ruby Limited) stating that the Hon'ble High Court of Kerala had entered an order dated May 21, 2025 purporting to stay the sale of the Epic assets (the "Purported Indian Order"). See D.I. 728. As of the date of this Emergency Motion, the Trustee has not received a copy of the Purported Indian Order.
- 16. The Savram law firm (like its clients) is aware of the pending bankruptcy and of the PI Order. Nonetheless, they not only obtained the Purported Indian Order in violation of the automatic stay and the PI Order but also served a copy of that order on counsel for Hy Ruby and filed the letter with this Court.
- 17. The Epic Asset Sale is set to close in the very near term and the pendency of the Purported Indian Order without a corresponding order from this Court finding it to be void *ab initio* as a stay violation threatens to delay and disrupt that closing.

RELIEF REQUESTED

18. By this Emergency Motion, the Trustee seeks entry of an order (a) enforcing this Court's PI Order; (b) finding the Purported Indian Order to be void and unenforceable; (c) holding Defendants in contempt; (d) striking the letter filed by Indian counsel from the docket; and (e) reserving the Trustee's rights to seek sanctions from Defendants.

BASIS FOR RELIEF REQUESTED

- 19. Section 362(a)(3) of the Bankruptcy Code provides that the filing of a bankruptcy petition operates as a stay of "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." 11 U.S.C. § 362(a)(3). The "automatic stay" is one of the fundamental debtor protections supplied by the Bankruptcy Code. Cuffee v. Atl. Bus. & Cmty. Dev. Corp. (In re Atl. Bus. & Cmty. Dev. Corp.), 901 F.2d 325, 329 (3d Cir. 1990). "The stay of § 362 is 'automatic' because it is triggered as against all entities upon the filing of a bankruptcy petition," and it "is mandatory and applicable to all entities, including state and federal courts." Maritime Elec. Co. Inc. v. United Jersey Bank, 959 F.2d 1194, 1204 (3d Cir. 1991). The automatic stay applies worldwide. See, e.g., Nortel Networks, Inc., 669 F.3d 128, 138 (3d Cir. 2011) (upholding the bankruptcy court's decision to enforce the automatic stay extraterritorially); SIPC v. Bernard L. Madoff Secs. LLC (In re Bernard Madoff Inv. Sec. LLC), 474 B.R. 76 (S.D.N.Y. 2012) (upholding extraterritorial enforcement of the automatic stay and injunction barring foreign creditor's lawsuit); Hong Kong & Shanghai Banking Corp. v. Simon (In re Simon), 153 F.3d 991, 996 (9th Cir. 1998).
- 20. Pursuant to section 541 of the Bankruptcy Code, the commencement of a case under the Bankruptcy Code creates an estate, "comprised of all . . . property, wherever located and by whomever held" including, but not limited to "all legal or equitable interests of the debtor in property as of the commencement date" and "[p]roceeds, product, offspring, rents, or profits of or from property of the estate." *See* 11 U.S.C. § 541. The scope of section 541(a) is undoubtedly broad and includes both tangible and intangible property. *U.S. v. Whiting Pools, Inc.*, 462 U.S. 198, 205 (1983).

- 21. Here there can be absolutely no question that filing a lawsuit against the Trustee and obtaining the Purported Indian Order purporting to prevent the Trustee from selling estate property is an "act to obtain possession of property of the estate or of property of the estate or to exercise control over property of the estate" in violation of section 362(a)(3).
- 22. Under the law of this Circuit, the Purported Indian Order is therefore void. See, e.g., In re Myers, 491 F.3d 120, 127 (3d Cir. 2007) ("[w]e have indeed held that actions taken in violation of the stay are void"); Acands, Inc. v. Travelers Cas. & Sur. Co., 435 F.3d 252, 261 (3d Cir. 1995) (entry of award violated the automatic stay and was "therefore void ab initio"); Constitution Bank v. Tubbs, 68 F.3d 685, 692 (3d Cir. 1995) (stay violations are "void ab initio"); Raymark Indus., Inc. v. Lai, 973 F.2d 1125, 1132 (3d Cir. 1992) ("actions taken in violation of the stay are void ab initio); Mar. Elec. Co. v. United Jersey Bank, 959 F.2d 1194, 1207 (3d Cir. 1991) (holding that judicial acts and proceedings in violation of the automatic stay are void ab initio.). Because violations of the automatic stay are void ab initio, any resulting actions are necessarily a "nullity" with "no legal effect." In re Mattera, 2007 WL 594908, at *5 (Bankr. D.N.J. Feb. 21, 2007).
- Order and its Bar Order. Section 105(a) grants a bankruptcy court the authority to hold a litigant in contempt of court for violating a court order. *BYJU's Alpha, Inc. v. Camshaft Capital Fund, LP (In re BYJU's Alpha, Inc.)*, 661 B.R. 109, 117 (Bankr. D. Del. 2024). "To hold a party in civil contempt, a court must find that (i) a valid court order existed, (ii) that the party charged with contempt had knowledge of the court order, and (iii) that the party charged with contempt disobeyed the court order. These elements must be proven by clear and convincing evidence, and ambiguities must be resolved in favor of the party charged with contempt." *In re Wong v. Lubetkin*

(In re 40 Lake View Drive, LLC), 2018 U.S. Dist. LEXIS 58958, at *9 (D. N.J. 2018) (citing John T. ex rel. Paul T. v. Del. Cty. Intermediate Unit, 318 F.3d 545, 552 (3d Cir. 2003)); accord BYJU's Alpha, 661 B.R. at 117. A court also must give fair warning that certain acts are forbidden before holding a party in civil contempt. Id. (citing U.S. on Behalf of I.R.S. v. Norton, 717 F.2d 767, 774 (3d Cir. 1983)).

- 24. Each of these elements is met here by clear and convincing evidence. The Court entered the PI Order and the Bar Order, the Defendants were served with notice of the PI Order and the Bar Order, and there is no question that Defendants' latest actions violate the PI Order and the Bar Order. The PI Order is explicit: Defendants "are enjoined from taking any act to continue prosecuting or otherwise litigating the claims asserted in the India Complaint or from commencing, prosecuting, or otherwise continuing any lawsuit or other proceeding regarding the Trustee, the Debtors, or property of their estates in any other court, tribunal, or other adjudicative body or entity other than this Court. (PI Order, ¶2 (emphasis added).)
- 25. The Bar Order is equally clear. It provides that "[u]ntil the Trustee files a certification confirming that the Voizzit Parties have fully satisfied their obligations under paragraphs 1 and 2 of this Order, the Voizzit Parties shall have no right to appear, be heard, or otherwise participate in these Chapter 11 Cases." [D.I. 598 at ¶ 3.]
- 26. In complete violation of the PI Order, Defendants have persisted in their attempt to frustrate the Trustee's administration of the Debtors' estates, this time by seeking (and apparently receiving) an order from an India court that purports to enjoin the Trustee from selling the Epic assets. This is exactly the action that the PI Order enjoined and exactly the type of disruptive behavior the Trustee anticipated when she sought, and this Court entered, the March 26, 2025 Bar Order barring Defendants from participating in these Chapter 11 Cases. Making matters worse,

they filed a letter with this Court (without retaining Delaware counsel) apparently hoping to discourage the Successful Bidder from proceeding with the sale. That conduct violated the Bar Order.

Enough is enough. At every step of these Chapter 11 Cases, Defendants have tried to thwart this Court's authority and the Trustee's administration of the Debtors' estates. Defendants have stolen from the estates. (*See* Bankr. D.I. 318 ¶¶ 4-25; *see also* Adv. No. 24-50233, D.I. 94 ¶¶ E-I). Defendants have disrupted the Debtors' operations. (*See* Bankr. D.I. 76 ¶¶ 7-18). Defendants have masqueraded as the owner of the Debtors. (Bankr. D.I. 289 ¶¶ 2-7). Defendants have refused to comply with discovery obligations. (Bankr. D.I. 598 ¶ E). And now, Defendants seek to hold up a value-maximizing sale of the Epic assets that will provide the first real return to the Estates' creditors. The Trustee urges the Court to promptly enter the proposed order.

WHEREFORE, the Trustee respectfully request that this Court entered the proposed order attached hereto as **Exhibit A** enforcing the PI Order, finding the Purported Indian Order to be void and unenforceable, striking the letter the Defendants filed with this Court, and reserving the Trustee's rights to seek sanctions from Defendants.

Dated: May 21, 2025 Wilmington, Delaware

PASHMAN STEIN WALDER HAYDEN, P.C.

/s/ Alexis R. Gambale

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EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re:

EPIC! CREATIONS, INC., et al., 1

Debtors.

Claudia Z. Springer, Chapter 11 Trustee,

Plaintiff,

VS.

Voizzit Technology Private Ltd., Voizzit Information Technology LLC, Think and Learn Pvt. Ltd., and Rajendran Vellapalath

Defendants.

Chapter 11

Case No. 24-11161 (BLS)

(Jointly Administered)

Adv. Pro. No. 24-50280 (BLS)

(Jointly Administered)

Re. D.I. 1, 2, 3, 12 & 20

ORDER GRANTING CHAPTER 11 TRUSTEE'S EMERGENCY MOTION TO ENFORCE PRELIMINARYINJUNCTION AND HOLD DEFENDANTS IN CONTEMPT

Upon consideration of the *Chapter 11 Trustee's Emergency Motion To Enforce Preliminary Injunction and Hold Defendants in Contempt* (the "Emergency Motion") filed by Plaintiff Claudia Z. Springer, Esq., in her capacity as Chapter 11 Trustee (the "Trustee") of the Estates of Epic! Creations, Inc. ("Epic"), Neuron Fuel, Inc. ("Neuron Fuel"), and Tangible Play, Inc. ("Tangible Play," together with Epic and Neuron Fuel, the "Debtors"); and the Court having reviewed the Emergency Motion and supporting Declaration; and the Court having held a hearing

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Epic! Creations, Inc. (9113); Neuron Fuel, Inc. (8758); and Tangible Play, Inc. (9331).

on May 22, 2025 (the "<u>Hearing</u>"); and the Court having considered all evidence and argument presented at the Hearing; the Court finds and concludes that:

- A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b).
- B. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(A), (E), and (O).
 - C. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409(a).
 - D. Notice of the Motion was sufficient under the circumstances.
- E. On December 18, 2024, this Court entered the *Order Granting Chapter 11 Trustee's Motion for Entry of A Preliminary Injunction* [Adv. D.I. 20] (the "<u>PI Order</u>"), which provided:

Until further order from this Court, and pursuant to Federal Rule of Civil Procedure 65(a), as made applicable herein by Bankruptcy Rule 7065, each Defendant, and all persons acting in concert or participation with any Defendant, are enjoined from taking any act to continue prosecuting or otherwise litigating the claims asserted in the India Complaint or from commencing, prosecuting, or otherwise continuing any lawsuit or other proceeding regarding the Trustee, the Debtors, or property of their estates in any other court, tribunal, or other adjudicative body or entity other than this Court.

(PI Order, ¶ 2 (emphasis added).)

- F. Each of the Defendants were served with the PI Order and thus had knowledge of the entry of the PI Order and its terms. [Adv. D.I. 23]
- G. The Trustee has established by clear and convincing evidence that: (i) a valid court order was entered; (ii) Defendants had knowledge of the PI Order; and (iii) Defendants violated the PI Order by continuing to prosecute and failing to dismiss with prejudice the India Complaint and the claims asserted therein, including by obtaining entry of an order from the High Court of Kerala dated May 21, 2025 purporting to enjoin the sale of the Epic estate's assets (the "Purported"

<u>India Order</u>"). The Trustee has further established that the Purported India Order violates the automatic stay imposed by 11 U.S.C. § 362(a)(3).

H. Defendants further acted to exercise control over the assets of the Epic estate by serving the Trustee and the Successful Bidder for the Epic Assets with a letter directing that they not proceed with the sale of the Epic Assets and by filing that letter on the Court's docket at D.I. 728.

For the reasons stated on the record at the Hearing, it is hereby **ORDERED THAT**:

- 1. The Purported India Order is void *ab initio* and should be treated as a nullity because it was entered in violation of the automatic stay in effect in these Chapter 11 Cases by operation of 11 U.S.C. § 362(a). *See Maritime Elec. Co. v. United Jersey Bank*, 959 F.2d 1194, 1207 (3d Cir. 1991) (holding that judicial acts and proceedings in violation of the automatic stay are void *ab initio*).
- 2. The letter filed on the Docket at D.I. 728 is stricken because it was filed with this Court in violation of the Court's Order Granting Chapter 11 Trustee's Motion to Compel Voizzit Technology Private, Ltd., Voizzit Information Technology LLC, and Rajendran Vellapalath to Comply with Rule 2004 Subpoenas and for other Relief Including Barring their Participation in these Chapter 11 Cases until they Comply with the Outstanding Subpoenas. See D.I. 598.
 - 3. The Defendants are found to be in willful contempt of this Court's PI Order.
- 4. The Trustee's rights to seek any and all available remedies, sanctions, or other relief on account of the Defendants' contempt of this Court's PI Order are reserved in full.

5. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order, including whether additional sanctions are warranted in light of the Defendants' failure to comply with the PI Order.