

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Saga Formations, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11161 (BLS)

(Jointly Administered)

Hearing Date: September 24, 2025 at 11:00 a.m. (ET)
Obj. Deadline: August 27, 2025 at 4:00 p.m. (ET)

**TRUSTEE’S FIRST OMNIBUS OBJECTION
(SUBSTANTIVE) TO CERTAIN (I) PRIORITY CLAIMS AND
(II) ADMINISTRATIVE EXPENSE CLAIMS**

**TO THE CLAIMANTS LISTED IN EXHIBITS 1, 2 AND 3 ATTACHED TO THE
PROPOSED ORDER:**

- **YOUR RIGHTS MAY BE AFFECTED BY THIS OBJECTION AND BY ANY FURTHER OBJECTION(S) THAT MAY BE FILED BY THE TRUSTEE OR ANY OTHER PARTY.**
- **THE RELIEF SOUGHT HEREIN IS WITHOUT PREJUDICE TO THE RIGHTS OF THE TRUSTEE OR ANY OTHER PARTY TO PURSUE FURTHER SUBSTANTIVE OR NON-SUBSTANTIVE OBJECTIONS AGAINST THE CLAIMS LISTED IN EXHIBITS 1, 2 AND 3 ATTACHED TO THE PROPOSED ORDER.**
- **THE CLAIMANTS RECEIVING THIS OBJECTION SHOULD LOCATE THEIR NAMES AND CLAIMS IN EXHIBITS 1, 2 AND 3 TO THE PROPOSED ORDER.**

Claudia Z. Springer, in her capacity as Chapter 11 Trustee (the “Trustee”) of the estates of Saga Formations, Inc. f/k/a Epic Creations, Inc. (“Saga”), Pajeau, Inc. f/k/a Neuron Fuel, Inc. (“Pajeau”), and Tangible Play, Inc. (“Tangible Play,” together with Saga and Pajeau, collectively the “Debtors”), by and through her undersigned counsel, hereby submits this omnibus objection

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Saga Formations, Inc. f/k/a Epic Creations, Inc. (9113); Pajeau, Inc. f/k/a Neuron Fuel, Inc. (8758); and Tangible Play, Inc. (9331).



(the “First Omnibus Objection”) seeking entry of an order pursuant to section 502 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) reclassifying certain priority claims and administrative claims to general unsecured claims.

RELIEF REQUESTED

1. For reasons set forth below, the Trustee objects to each of the Claims identified on **Exhibit 1** (the “507(a)(4) Priority Claims”), **Exhibit 2** (the “Tax Priority Claims”) and **Exhibit 3** (the “Administrative Claims”), which are attached to the proposed form of order (the “Proposed Order”), attached hereto as **Exhibit B**, and incorporated by reference. By this First Omnibus Objection, the Trustee respectfully requests that the Court enter an order reclassifying the 507(a)(4) Priority Claims and Administrative Claims to general unsecured claims. In support of this First Omnibus Objection, the Trustee submits the *Declaration of Claudia Z. Springer in Support of the Trustee’s First Omnibus Objection (Substantive) to Certain (I) Priority Claims and (II) Administrative Expense Claims* (the “Springer Declaration”), attached hereto as **Exhibit A** and incorporated by reference.

JURISDICTION AND VENUE

1. The United States District Court of the District of Delaware has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b), which was referred to the United States Bankruptcy Court for the District of Delaware (the “Court”) under 28 U.S.C. § 157 pursuant to the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A) and (O), and the Trustee confirms her consent pursuant to Local Rule 9013-1(f) 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 consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory basis for the relief requested herein is section 502 of the Bankruptcy Code, as supplemented by Bankruptcy Rule 3007 and Local Rule 3007-1.

FACTUAL BACKGROUND

4. On June 4-5, 2024 (the “Petition Date”), GLAS Trust Company LLC, in its capacity as administrative and collateral agent under the November 24, 2021 Credit and Guaranty Agreement and certain other lenders under the Credit Agreement filed involuntary petitions under chapter 11 of the Bankruptcy Code in this Court against the Debtors (these “Chapter 11 Cases”).

5. On September 16, 2024, this Court entered an *Order for Relief in Involuntary Cases and Appointing Chapter 11 Trustee* [D.I. 147].

6. On September 23, 2024 (the “Appointment Date”), the United States Trustee filed an *Application for Entry of An Order Approving the Appointment of Claudia Z. Springer, Esq. as Chapter 11 Trustee* [D.I. 151] and filed a *Notice of Appointment* appointing Claudia Z. Springer, Esq. as Trustee of the Debtors [D.I. 152]. Since that time, the Trustee has managed the Debtors’ affairs pursuant to section 1106 of the Bankruptcy Code. No official committee has been appointed in these Chapter 11 Cases.

7. A more detailed description of the background of the Debtors and these Chapter 11 Cases is set forth in the *Declaration of Claudia Z. Springer in Support of First Day Motions* [D.I. 193].

8. On February 21, 2025, the Court entered the *Order (I) Establishing Bar Dates for Filing Proofs of Claim, Including Claims under 11 U.S.C. §§ 507(A)(3) through (A)(10) and 503(B)(9), (II) Approving the Form and Manner for Filing Proofs of Claim, (III) Approving Notice Thereof, and (IV) Granting Related Relief* [D.I. 530] (the “Bar Date Order”). The Bar Date Order established, among other things, March 26, 2025, as the general claims bar date for the filing of proofs of claim asserting Claims against the Debtor arising before the Petition Date (the “General Bar Date”).

9. A chapter 11 plan has been filed in these Chapter 11 Cases and the hearing on confirmation of the plan is scheduled for September 24, 2025.

BASIS FOR RELIEF AND THE DISPUTED CLAIMS

A. Basis for Relief

10. Pursuant to section 101 of the Bankruptcy Code, a creditor holds a claim against a bankruptcy estate only to the extent that (a) it has a “right to payment” for the asserted liabilities and (b) the claim is otherwise allowable. 11 U.S.C. §§ 101(5) and 101(10). Section 502(a) of the Bankruptcy Code provides, in pertinent part, that “[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). Once an objection to a claim is filed, the Court, after notice and a hearing, shall determine the allowed amount of the claim. *See* 11 U.S.C. § 502(b).

11. Section 502(b)(1) of the Bankruptcy Code provides, in part, that a claim may not be allowed to the extent that it “is unenforceable against the debtor and property of the debtor, under any agreement or applicable law.” 11 U.S.C. § 502(b)(1). While a properly filed proof of claim is *prima facie* evidence of the claim’s allowed amount, when an objecting party rebuts a claim’s *prima facie* validity, the claimant bears the burden of proving the claim’s validity by a

preponderance of evidence. *See In re Allegheny Int'l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992); *see also In re Int'l Match Corp.*, 69 F.2d 73, 76 (2d Cir. 1934) (finding that a proof of claim should at least allege facts from which legal liability can be seen to exist). The burden of persuasion with respect to the claim is always on the claimant. *See id.* at 174. Pursuant to Bankruptcy Rule 3007(d), a debtor is permitted to file omnibus objections to more than one claim on the bases enumerated therein, which include, among other things, that such claims “[do] not comply with applicable rules, and the objection states that the objector is unable to determine the validity of the claim because of the noncompliance.” Fed. R. Bankr. P. 3007(d)(6).

B. Proofs of Claims and Claims Reconciliation

12. The Debtors’ claims register (the “Claims Register”), prepared and maintained by Kurtzman Carson Consultants, LLC d/b/a Verita Global (the “Claims Agent”), reflects that approximately two hundred and twenty-four (224) proofs of claim (collectively, the “Proofs of Claim”) have been filed in these Chapter 11 Cases asserting claims against the Debtors (collectively, the “Claims”). The Trustee is in the process of reviewing and reconciling the Claims, including by comparing the Claims asserted in the Proofs of Claim with the books and records in the Trustee’s possession to determine the validity of the asserted Claims.

13. This reconciliation process includes identifying particular categories of Claims that the Trustee believes should be reclassified, disallowed, or reduced. In addition, it includes reviewing the supporting documentation attached to the proofs of claim on file. To avoid a possible double recovery or otherwise improper recovery by Claims, the Trustee will continue to file omnibus objections to such categories of Claims if and where warranted. This First Omnibus Objection is one such objection.

a. The 507(a)(4) Priority Claims (Exhibit 1) are Improperly Classified as Priority Claims and Should be Reclassified as General Unsecured Claims.

14. Section 507(a)(4) of the Bankruptcy Code grants a fourth priority right of payment in a bankruptcy case, behind domestic support obligations, administrative expenses, and ordinary course claims to:

[A]llowed unsecured claims, but only to the extent of \$15,150² for each individual or corporation, as the case may be, **earned within 180 days before the date of the filing of the petition** or the date of the cessation of the debtor's business, whichever occurs first, for—

(A) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual; or

(B) sales commissions earned by an individual or by a corporation with only 1 employee, acting as an independent contractor in the sale of goods or services for the debtor in the ordinary course of the debtor's business if, and only if, during the 12 months preceding that date, at least 75 percent of the amount that the individual or corporation earned by acting as an independent contractor in the sale of goods or services was earned from the debtor.

11 U.S.C. § 507(a)(4)(A) (emphasis added).

15. Compensation is considered “earned” when an individual has performed the services that give rise to the right to payment. *Belson v. Olson Rug Co.*, 483 B.R. 660, 664-65 (N.D. Ill. 2012). For purposes of commissions, retention and performance bonuses and the like, these amounts are earned *at the end* of the applicable year based on services performed during that year and will not be entitled to priority status if the end of that performance year was not within the temporal scope set forth in the statute. *See In re Cardinal Industries, Inc.*, 160 B.R. 83 (Bankr. S.D. Ohio 1993).

² Effective April 1, 2025, this amount increased to \$17,150.00.

16. This is true regardless of when the wages for those services are paid or to be paid. *See In re High Plains Computing, Inc.*, 596 B.R. 896 (Bankr. D. Colo. 2019); *see also In re Golden Gate Cmty. Health*, 577 B.R. 567, 570 (Bankr. N.D. Cal. 2017) (citing *In re Idearc Inc.*, 442 B.R. 513 (Bankr. N.D. Tex. 2010)). Indeed, “[i]f an employee's right to wages arises at a particular point in time but payment is deferred until a later date, the wages are ‘earned,’ for priority purposes, when the right to receive payment occurs regardless of when, if ever, actual payment takes place.” *Golden Gate*, 577 B.R. at 570 (citing 9D Am. Jur. 2d Bankruptcy § 3308 (August 2017)); *see, e.g., Cardinal Industries*, 160 B.R. 83 (concluding that a wage priority claim for a bonus under section 507(a)(3), now 507(a)(4), was not allowable because it was not for wages earned by the claimant within the ninety, now 180, day period provided by the statute).

17. Here, the 507(a)(4) Priority Claims fall outside the temporal scope of the statute because the wages were not earned within 180 days of the Petition Date. 12 out of the 16 507(a)(4) Priority Claims listed on Exhibit 1 are claims for retention or performance bonuses that were purportedly earned in October 2022 and October 2023. Using *Cardinal* as a guide, those employees earned their respective bonuses from their start date in 2021 through and including October 2022, and November 2022 through and including October 2023, which falls outside the temporal limit set forth in the statute – December 7, 2023.

18. Similarly, the other four 507(a)(4) Priority Claims, not related to any retention or performance bonus, also fall outside the temporal scope of the statute because the services rendered and/or the invoices were issued more than 180 days before the Petition Date.

19. Accordingly, the Trustee requests entry of the Proposed Order reclassifying the 507(a)(4) Priority Claims as general unsecured claims.

b. Certain Tax Priority Claims (Exhibit 2) Have an Estimated Liability That Exceeds What is Reflected in Debtors' Books and Records and Should be Reduced.

20. The Trustee, as well as her consultants and/or professionals have reviewed the Debtors' books and records and determined that the Tax Priority Claims identified in **Exhibit 2** exceed what is reflected in the same and should be reduced accordingly.

c. The Administrative Claims (Exhibit 3) are Improperly Classified as Administrative Expense Claims and Should be Reclassified as General Unsecured Claims.

21. An administrative expense claim is entitled to priority under section 503(b)(1)(A) if it was an "actual, necessary cost[] and expense[] of preserv[ing] the estate." 11 U.S.C. § 503(b)(1)(A).

22. To make a showing under section 503(b)(1)(A), a claimant must establish that: (1) there was a "post-petition transaction between the claimant and the estate," and (2) those expenses yielded a "*benefit to the estate.*" See *In re Women First Healthcare, Inc.*, 332 B.R. 115, 121 (Bankr. D. Del. 2005) (emphasis added); see also *In re Goody's Family Clothing, Inc., et al.*, 610 F.3d 812, 818 (3d Cir. 2010) (citing *In re Mammoth Mart, Inc.*, 536 F.2d 950, 954 (1st Cir. 1976)). "In order to hold administrative expenses to a minimum and to maximize the value of the bankruptcy estate, section 503(b) is *narrowly construed.*" *In re ID Liquidation One, LLC*, 503 B.R. 392, 399 (Bankr. D. Del. 2013) (internal quotation marks and citation omitted) (emphasis added). "The party seeking to recover expenses must 'carry the *heavy burden* of demonstrating' that such expenses qualify as an administrative expense." *In re Energy Future Holdings Corp.*, 990 F.3d 728, 741 (3d Cir. 2021) (citing *Goody's Family Clothing*, 610 F.3d at 818) (internal quotation marks and citation omitted) (emphasis added).

23. Here, the Administrative Claims set forth in **Exhibit 3** were for services provided *prior* to the Petition Date and before an estate was even formed. An administrative expense claim is one that yields a *benefit to the estate* – meaning an estate must exist. There is no estate however *prior* to the filing of the voluntary petitions. 11 U.S.C. § 541(a) (“The commencement of a case under section 301, 302, or 303 of this title creates an estate.”); *see also Ellis v. Westinghouse Electric Co., LLC*, 11 F.4th 221, 227 (3d Cir. 2023) (citing *City of Chicago v. Fulton*, 141 S. Ct. 585, 589 (2021)) (“Filing a bankruptcy petition has immediate consequences. It “ ‘creates an estate’ that, with some exceptions, comprises ‘all legal or equitable interests of the [Debtors] in property as of the commencement of the case.’ “).

24. Thus, the services rendered *prior* to the Petition Date could not have benefited the estate and therefore cannot be considered an administrative expense claim as a matter of law. Accordingly, the Trustee requests entry of the Proposed Order reclassifying the Administrative Claims as general unsecured claims.

SEPARATE CONTESTED MATTERS

25. To the extent that a response is filed regarding any Proof of Claim identified on **Exhibits 1, 2, and 3** to the Proposed Order and the Trustee is unable to resolve the response, such Proof of Claim, and the objection to such Proof of Claim asserted by the Trustee herein, shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court regarding an objection asserted in this First Omnibus Objection shall be deemed a separate order with respect to each Proof of Claim.

RESPONSE TO FIRST OMNIBUS OBJECTION

26. To contest an objection, a claimant must file and serve a written response to this Objection (a “Response”) so that it is received no later than **August 27, 2025 at 4:00 p.m. (ET)**

(the “Response Deadline”). Every Response must be filed with the Office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801, and served upon the following entities so that the Response is received no later than the Response Deadline, at the following address:

PASHMAN STEIN WALDER HAYDEN, P.C.

Henry J. Jaffe (No. 2987)
Joseph C. Barsalona II (No. 6102)
Alexis R. Gambale (No. 7150)
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-and-

JENNER & BLOCK LLP

Catherine Steege (admitted *pro hac vice*)
Melissa Root (admitted *pro hac vice*)
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27. Every Response to this First Omnibus Objection must contain, at a minimum, the following information:

- i. A caption setting forth the name of the Court, the name of the Debtor, the case number, and the title of the Objection to which the Response is directed;
- ii. The name of the claimant, the claim number, and a description of the basis for the amount of the Claim;
- iii. The specific factual basis and supporting legal argument upon which the party will rely in opposing this Objection;
- iv. Any supporting documentation, to the extent that it was not included in the proof

of claim previously filed with the clerk, upon which the claimant intends to rely to support the basis for and amounts asserted in the proof of claim; and

- v. The name, address, telephone number, and fax number of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Trustee, as applicable, should communicate with respect to the Claim or the Objection and who possesses authority to reconcile, settle, or otherwise resolve the objection to the disputed claim on behalf of the claimant.

28. If a claimant fails to file and serve a timely Response by the Response Deadline, the Trustee may present to the Court an appropriate order reclassifying and/or reducing the Claim without further notice to the claimant or a hearing.

ADJOURNMENT OF HEARING

29. The Trustee reserves the right to seek an adjournment of the hearing on any responses to this First Omnibus Objection. In the event that the Trustee seeks such an adjournment, it will be noted on the notice of agenda for the hearing, and such agenda will be served on the affected claimant by serving the person designated in the Response.

RESERVATION OF RIGHTS

30. Nothing contained in this First Omnibus Objection or any actions taken by the Trustee or any other party pursuant to relief that may be granted by entry of the Proposed Order is tended or should be construed as (i) an admission as to the validity of any particular Claim (including any Proof of Claim) against the Trustee or any other party; (ii) a waiver of the Trustee's or any other party's rights to dispute any particular Claim (including any Proof of Claim); (iii) a promise or requirement to pay any particular Claim (including any Proof of Claim); (iv) an implication or admission that any particular Claim (including any Proof of Claim) is of a priority or type specified in this First Omnibus Objection; or (v) a waiver or limitation of the Trustee's or any other party's rights under the Bankruptcy Code, Bankruptcy Rules, Local Rules or any other applicable law.

31. The Trustee expressly reserves the right to amend, modify or supplement this First Omnibus Objection. Should one or more of the grounds of objection stated in this First Omnibus Objection be dismissed or overruled, the Trustee reserves the right to object to each of the Proofs of Claim on any other grounds that the Trustee discovers or elects to pursue. This First Omnibus Objection sets out certain non-substantive objections to the Proofs of Claim identified on **Exhibits 1, 2, and 3** to the Proposed Order. The Trustee and any other party, as applicable, reserves the right to assert other non-substantive objections and/or substantive objections to the Proofs of Claim identified on **Exhibits 1, 2, and 3** to the Proposed Order.

COMPLIANCE WITH LOCAL RULE 3007-1

32. The undersigned counsel to the Trustee on behalf of the Debtor has reviewed the requirements of Local Rule 3007-1 and certifies that the First Omnibus Objection substantially complies with the same. To the extent that the First Omnibus Objection does not comply in all respects with the requirements of Local Rule 3007-1, the Trustee believes such deviations are not material and respectfully requests that any such requirement be waived.

NOTICE

33. The Trustee will serve copies of the First Omnibus Objection on: (a) the Office of the United States Trustee for the District of Delaware; (b) the claimants identified on **Exhibits 1, 2 and 3** and (c) all parties who have requested notice pursuant to Bankruptcy Rule 2002 and Local Rule 2002-1(b). In light of the nature of the relief requested, the Trustee submits that no other or further notice need be given.

CONCLUSION

WHEREFORE, the Trustee respectfully requests that the Court (i) enter an order substantially in the form attached hereto as **Exhibit B**, reclassifying and/or reducing each of the

Claims identified on **Exhibits 1, 2 and 3** attached to the Proposed Order, and (ii) granting such other and further relief as is just and proper.

Dated: August 6, 2025
Wilmington, Delaware

PASHMAN STEIN WALDER HAYDEN, P.C.

/s/ Joseph C. Barsalona II

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Co-counsel to the Trustee

**THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Saga Formations, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11161 (BLS)

(Jointly Administered)

Hearing Date: September 24, 2025 at 11:00 a.m. (ET)

Obj. Deadline: August 27, 2025 at 4:00 p.m. (ET)

**NOTICE OF TRUSTEE'S FIRST OMNIBUS OBJECTION
(SUBSTANTIVE) TO CERTAIN (I) PRIORITY CLAIMS AND
(II) ADMINISTRATIVE EXPENSE CLAIMS**

PLEASE TAKE NOTICE that on **August 6, 2025** Claudia Z. Springer, in her capacity as Chapter 11 Trustee (the "Trustee") of the estates of Saga Formations, Inc. f/k/a Epic Creations, Inc. ("Saga"), Pajeau, Inc. f/k/a Neuron Fuel, Inc. ("Pajeau"), and Tangible Play, Inc. ("Tangible Play," together with Saga and Pajeau, collectively the "Debtors"), filed the *Trustee's First Omnibus Objection (Substantive) to Certain (I) Priority Claims and (II) Administrative Expense Claims* (the "First Omnibus Objection") with the United States Bankruptcy Court for the District of Delaware.²

THE FIRST OMNIBUS OBJECTION SEEKS TO ALTER YOUR RIGHTS. THEREFORE, YOU SHOULD READ THE FIRST OMNIBUS OBJECTION AND THE EXHIBITS THERETO CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE. THE SCHEDULES ATTACHED TO THE PROPOSED ORDER LIST ALL CLAIMS THAT ARE THE SUBJECT OF THE FIRST OMNIBUS OBJECTION.

PLEASE TAKE FURTHER NOTICE that any responses to the First Omnibus Objection (a "Response") must be in writing, filed with the Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon the undersigned counsel on or before **August 27, 2025 at 4:00 p.m. (prevailing Eastern Time).**

PLEASE TAKE FURTHER NOTICE that the Response must contain, at a minimum, the following:

- a) a caption setting forth the name of the Bankruptcy Court, the case number, and the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Saga Formations, Inc. f/k/a Epic Creations, Inc. (9113); Pajeau, Inc. f/k/a Neuron Fuel, Inc. (8758); and Tangible Play, Inc. (9331).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Objection.

title of the First Omnibus Objection to which the Response is directed;

- b) the name of the party responding to the First Omnibus Objection (the “Respondent”) and a description of the basis for the amount of the Claim in dispute (the “Disputed Claim”);
- c) a concise statement setting forth the reasons why the Disputed Claim should not be disallowed for the reasons set forth in the First Omnibus Objection, including but not limited to, the specific factual and legal bases upon which the Respondent will rely in opposing the First Omnibus Objection at the Hearing (as defined below);
- d) all documentation or other evidence of the Disputed Claim to the extent not already included with the proof of claim previously filed with the Bankruptcy Court, upon which the Respondent will rely in opposing the First Omnibus Objection at the Hearing;
- e) the name, address, telephone number, and fax number of the person(s) (who may be the claimant or a legal representative thereof) to whom the Trustee should serve any reply to the Response; and
- f) the name, address, and telephone number of the person(s) (who may be the claimant or a legal representative thereof) possessing ultimate authority to reconcile, settle, or otherwise resolve the Disputed Claim and/or the Response on behalf of the Respondent.

PLEASE TAKE FURTHER NOTICE that a hearing to consider the First Omnibus Objection, if required, will be held before the Honorable Brendan Linehan Shannon, at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th floor, Courtroom 1, Wilmington, Delaware 19801 on **September 24, 2025 at 11:00 a.m. (prevailing Eastern Time)** (the “Hearing”).

PLEASE TAKE FURTHER NOTICE THAT ONLY OBJECTIONS MADE IN WRITING AND TIMELY FILED AND RECEIVED, IN ACCORDANCE WITH THE PROCEDURES ABOVE, WILL BE CONSIDERED BY THE BANKRUPTCY COURT AT SUCH HEARING.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: August 6, 2025

PASHMAN STEIN WALDER HAYDEN, P.C.

/s/ Joseph C. Barsalona II

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Co-counsel to Trustee

EXHIBIT A

SPRINGER DECLARATION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Saga Formations, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11161 (BLS)

(Jointly Administered)

**DECLARATION OF CLAUDIA Z. SPRINGER IN SUPPORT OF THE TRUSTEE'S
FIRST OMNIBUS OBJECTION (SUBSTANTIVE) TO CERTAIN
(I) PRIORITY CLAIMS AND (II) ADMINISTRATIVE EXPENSE CLAIMS**

Pursuant to 28. U.S.C. § 1746, I, Claudia Z. Springer, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge and belief:

1. I was appointed on September 23, 2024, by the United States Trustee. Since that time, I have managed the Debtors' affairs and am familiar with the Debtors' day-to-day operations, books and records, business and financial affairs. This declaration (the "Declaration") is submitted in support of the *Trustee's First Omnibus Objection (Substantive) to Certain (I) Priority Claims and (II) Administrative Expense Claims* (the "First Omnibus Objection") filed contemporaneously herewith.²

2. Except as otherwise indicated, all statements in this Declaration are based upon (i) my personal knowledge and/or (ii) my review (or the review of persons under my supervision) of the available books and records provided to me by the Debtors' former employees and/or the Trustee's the consultants or professionals, the Schedules filed in these Chapter 11 Cases, the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Saga Formations, Inc. (9113); Pajeau, Inc. (8758); and Tangible Play, Inc. (9331).

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the First Omnibus Objection.

relevant Proofs of Claim, and the Claims Register, as well as relevant documents and other information prepared or collected by the Debtors' employees or professionals and/or the Trustee's consultants or professionals.

3. In making my statements, which are based on my review (or the review of persons under my supervision) of the available books and records, relevant documents, and other information prepared or collected by the Debtors' employees or professionals and/or the Trustee's consultants or professionals, I have relied upon these parties accurately recording, preparing or collecting such documentation and other information.

4. If I were called to testify as a witness in this matter, I could and would competently testify to each of the facts set forth herein based upon my personal knowledge, review of documents and/or opinion based on such review of documents. I am authorized to execute this Declaration on behalf of the Debtors.

5. In preparing this Declaration, I or persons under my supervision have reviewed the Claims Register maintained by the Court, which contains the record of all parties that filed Proofs of Claim in connection with these Chapter 11 Cases.

6. I, along with my professionals and advisors have reviewed each of the claims listed on **Exhibits 1, 2, and 3** to the Proposed Order (the "**Disputed Claims**") to determine the basis upon which liability was asserted against the Debtor(s). This process included a review of each of the proofs of claim filed and any supporting documentation for each Disputed Claim.

7. The 507(a)(4) Priority Claims listed on **Exhibit 1** of the Proposed Order were reviewed to confirm whether each of the 507(a)(4) Priority Claims fell within the temporal scope of 11 U.S.C. § 507(a)(4) and I determined that the alleged 507(a)(4) Priority Claims did not in fact

assert claims for wages, bonuses, and/or commissions that *were earned* within 180 days of the Petition Date.

8. The Tax Priority Claims listed on **Exhibit 2** of the Proposed Order were reviewed to confirm whether the estimated liability was correct and in fact they were not and should be reduced accordingly.

9. The Administrative Claims listed on **Exhibit 3** were reviewed to confirm whether each of the Administrative Claims fell within the scope of 11 U.S.C. § 503(b)(1)(A) and in fact the Administrative Claims did not as the services were rendered prior to the Petition Date.

10. The information contained in the First Omnibus Objection and in **Exhibits 1, 2, and 3** attached to the Proposed Order is true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Date: August 6, 2025

/s/ Claudia Z. Springer
Claudia Z. Springer

EXHIBIT B

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Saga Formations, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11161 (BLS)

(Jointly Administered)

Re: D.I. _____

**ORDER SUSTAINING THE TRUSTEE’S FIRST OMNIBUS OBJECTION
(SUBSTANTIVE) TO CERTAIN (I) PRIORITY CLAIMS AND
(II) ADMINISTRATIVE EXPENSE CLAIMS**

Upon the first omnibus objection (the “First Omnibus Objection”)² of Claudia Z. Springer, in her capacity as Chapter 11 Trustee (the “Trustee”) of the estates of Saga Formations, Inc. f/k/a Epic Creations, Inc. (“Saga”), Pajeau, Inc. f/k/a Neuron Fuel, Inc. (“Pajeau”), and Tangible Play, Inc. (“Tangible Play,” together with Saga and Pajeau, collectively the “Debtors”), pursuant to sections 105 and 502 of the Bankruptcy Code, Bankruptcy 3007, and Local Rule 3007-1, to certain proofs of claim listed on **Exhibit 1** (the “507(a)(4) Priority Claims”), **Exhibit 2** (the “Tax Priority Claims”) and **Exhibit 3** (the “Administrative Claims”), and this Court having reviewed the First Omnibus Objection and Springer Declaration; and this Court having determined that the relief requested in the First Omnibus Objection is in the best interest of the Debtors, their estates, their creditors, and other parties in interest and that legal and factual bases set forth in the First Omnibus Objection establish just cause for the relief requested granted herein; and this Court having jurisdiction to consider the First Omnibus Objection and the relief requested therein in accordance

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Saga Formations, Inc. (9113); Pajeau, Inc. (8758); and Tangible Play, Inc. (9331).

² All capitalized terms used not defined herein shall have the meaning ascribed to them in the First Omnibus Objection.

with 28 U.S.C. §§ 1157 and 1334 and the *Amended Standing Order or Reference from the United States District Court for the District of Delaware* dated as of February 29, 2012; and consideration of the First Omnibus Objection and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b)(2); and this Court having authority to enter a final order consistent with Article III of the United States Constitution; and venue being proper before this Court under 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the First Omnibus Objection has been given and that no other or further notice is necessary; and upon all of the proceedings before this Court; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The First Omnibus Objection is **SUSTAINED** as set forth herein.
2. Any response to the First Omnibus Objection not otherwise withdrawn, resolved, or adjourned is hereby overruled on its merits.
3. Each of the 507(a)(4) Priority Claims listed on **Exhibit 1** shall be reclassified to a general unsecured claim in the amount listed in the “New General Unsecured Claim Amount” column of Exhibit 1, and the priority claim for each is now \$0.00.
4. Each of the Tax Priority Claims listed on **Exhibit 2** shall be reduced the amount listed in the “New Tax Priority Claim Amount” column of Exhibit 2.
5. Each of the Administrative Claims listed on **Exhibit 3** shall be reclassified to a general unsecured claim in the amount listed in the “New General Unsecured Claim Amount” column of Exhibit 3, and the administrative claim for each is now \$0.00.
6. The objection to each claim, as addressed in the First Omnibus Objection and as set forth in the attached **Exhibits 1, 2, and 3**, constitutes a separate contested matter as contemplated

by Bankruptcy Rule 9014 and Local Rule 3007-1. This Order shall be deemed a separate order with respect to each such claim that is the subject of the First Omnibus Objection. Any stay of this Order pending appeal by any claimants whose claims are subject to this Order shall only apply to the contested matter that involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to any other contested matters addressed in the First Omnibus Objection and this Order.

7. The Trustee is each authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the First Omnibus Objection.

8. Nothing in this Order or the First Omnibus Objection is intended or shall be construed as a waiver of any of the rights the Debtors or the Trustee may have to enforce rights of setoff against the claimants.

9. This Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.

10. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Exhibit 1**507(a)(4) Priority Claims****(Claims to be Reclassified)**

Name of Claimant	Claim No.	Claim Date Filed	Asserted Priority Claim Amount	Asserted General Unsecured Claim Amount	<u>New</u> Priority Claim Amount	<u>New</u> General Unsecured Claim Amount	Reason for Reclassification
Aello Consulting Company Limited	63	1/26/2025	\$15,150.00	\$36,397.46	\$0.00	\$66,697.46 ¹	Outside the temporal scope of 11 U.S.C. § 507(a)(4).
Sophia Noelle Badzik	43	12/16/2024	\$14,834.45	\$840.00	\$0.00	\$15,674.45	Outside the temporal scope of 11 U.S.C. § 507(a)(4).
Ines Filipa Guerreiro de Almeida Maria	166	3/24/2025	\$200,000.00	\$0.00	\$0.00	\$200,000.00	Outside the scope of 11 U.S.C. § 507(a)(4).
Nadezhda Leonova	107	3/5/2025	\$15,150.00	\$171,250.00	\$0.00	\$186,400.00	Outside the scope of 11 U.S.C. § 507(a)(4).
David Lockhart	79 ²	2/25/2025	\$15,150.00	\$134,850.00	\$0.00	\$150,000.00	Outside the scope of 11 U.S.C. § 507(a)(4).
Tiffanie Lo	100	3/5/2025	\$15,150.00	\$184,850.00	\$0.00	\$200,000.00	Outside the scope of 11 U.S.C. § 507(a)(4).
Ryan Magee	186	3/26/2025	\$15,150.00	\$144,850.00	\$0.00	\$160,000.00	Outside the scope of 11 U.S.C. § 507(a)(4).

¹ This amount includes a purported administrative expense claim that the Trustee is seeking to reclassify that as well. *See* Exhibit 3, *infra*.

² Claim No. 79, amended Claim Nos. 28 & 29.

Name of Claimant	Claim No.	Claim Date Filed	Asserted Priority Claim Amount	Asserted General Unsecured Claim Amount	<u>New</u> Priority Claim Amount	<u>New</u> General Unsecured Claim Amount	Reason for Reclassification
Jamie May	78	2/22/2025	\$15,150.00	\$696,600.00	\$0.00	\$711,750	Outside the temporal scope of 11 U.S.C. § 507(a)(4).
Kaustav Mitra	23	11/12/2024	\$15,150.00	\$756,050.00	\$0.00	\$771,200.00	Outside the temporal scope of 11 U.S.C. § 507(a)(4).
Sullivan Nguyen	44	12/14/2024	\$15,150.00	\$38,197.00	\$0.00	\$53,347.00	Outside the temporal scope of 11 U.S.C. § 507(a)(4).
Daniel Philip Rezac	101	3/5/2025	\$15,150.00	\$506,850.00	\$0.00	\$522,000.00	Outside the scope of 11 U.S.C. § 507(a)(4).
Yoshi Sakaguchi	197	3/31/2025	\$15,150.00	\$105,390.41	\$0.00	\$120,540.41	Outside the scope of 11 U.S.C. § 507(a)(4).
Debra Simpson	120	3/9/2025	\$15,000.00	\$0.00	\$0.00	\$15,000.00	Outside the scope of 11 U.S.C. § 507(a)(4).
Jose Tong	196	3/31/2025	\$15,150.00	\$104,016.67	\$0.00	\$119,166.67	Outside the scope of 11 U.S.C. § 507(a)(4).
Venkat Varada	154	3/23/2025	\$330,000.00	\$0.00	\$0.00	\$330,000.00	Outside the scope of 11 U.S.C. § 507(a)(4).
Henry Hengrui Zhang	172	3/25/2025	\$15,150.00	\$154,347.04	\$0.00	\$169,497.04	Outside the scope of 11 U.S.C. § 507(a)(4).

Exhibit 2**Tax Priority Claims****(Claims to be Reduced)**

Name of Claimant	Claim No.	Claim Date Filed	Asserted Priority Claim Amount	<u>New</u> Tax Priority Claim Amount	Reason for Reduction
Arizona Department of Revenue	3	7/8/2024	\$360.00	\$50.00	The Debtor's sales tax records, according to the Debtor's service vendor, Avalara, Inc., show that all Arizona sales tax for the claimed periods has been paid in full.
State of New Jersey Division of Taxation Bankruptcy Section	18	10/24/2024	\$27,344.68	\$2,000.00	The Debtors' tax records do not support anything other than the minimum corporate tax liability
Ohio Department of Taxation	113	3/7/2025	\$69,990.08	\$14,761.60	<p>The Debtor's sales tax records, according to the Debtor's service vendor, Avalara, Inc., show that all Ohio sales tax for the claimed periods is only \$14,761.60.</p> <p>The Commercial Activity Tax for the claimed periods should be \$0.00 because certain Ohio receipts fall below the gross receipts exclusion for the claimed periods.</p>
Tennessee Department of Revenue	218	5/29/2025	\$43,380.66	\$15,084.94	The Debtor's sales tax records, according to the Debtor's service vendor, Avalara, Inc., show that all Tennessee sales tax for the claimed periods is only \$15,084.94.

Exhibit 3**Administrative Claims****(Claims to be Reclassified)**

Name of Claimant	Claim No.	Claim Date Filed	Asserted Administrative Claim Amount	Asserted General Unsecured Claim Amount	<u>New</u> Administrative Claim Amount	<u>New</u> General Unsecured Claim Amount	Reason for Reclassification
Aello Consulting Company Limited	63	1/26/2025	\$15,150.00	\$36,397.46	\$0.00	\$66,697.46 ¹	Asserted administrative claim is for services provided prior to the Petition Date.
Indinero Inc.	115	3/7/2025	\$6,150.00	\$0.00	\$0.00	\$6,150.00	Asserted administrative claim is for services provided prior to the Petition Date.
Indinero Inc.	119	3/7/2025	\$6,150.00	\$0.00	\$0.00	\$6,150.00	Asserted administrative claim is for services provided prior to the Petition Date.
Yvonne Schmidt a/k/a Tide Consulting Group LLC	126	3/12/2025	\$70,549.37	\$0.00	\$0.00	\$70,549.37	Asserted administrative claim is for damages sought in connection with a lawsuit filed prior to the Petition Date.
North Star Editions, Inc.	131	3/13/2025	\$24,268.71	\$0.00	\$0.00	\$10,284.41	Portion of the asserted administrative claim occurred pre-Petition Date.

¹ This amount includes a purported administrative expense claim that the Trustee is seeking to reclassify that as well. *See* Exhibit 3, *infra*.