

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

Saga Formations, Inc., *et al.*,

Debtors.

Chapter 11

Case No. 24-11161 (BLS)

(Jointly Administered)

Re: D.I. No. 878

**AERONET WORLDWIDE, INC.'S LIMITED OBJECTION AND RESERVATION OF  
RIGHTS IN RESPONSE TO TRUSTEE'S FIRST NOTICE OF SATISFACTION OF  
CERTAIN FULLY SATISFIED CLAIMS (DKT. 878)**

**COMES NOW** Aeronet Worldwide, Inc. ("Aeronet"), by and through its undersigned counsel, and hereby submits this Limited Objection and Reservation of Rights to the *Chapter 11 Trustee's "First Notice of Satisfaction of Fully Satisfied Claims identified on the Court's Docket as Number 878* (the "Notice"). In support of this Limited Objection and Reservation of Rights, Aeronet states as follows:

**BACKGROUND**

1. On June 4 and 5, 2024 (the "Petition Date"), GLAS Trust Company LLC, in its capacity as administrative and collateral agent under the Credit Agreement, and certain lenders under the Credit Agreement (the "Prepetition Lenders") filed an involuntary chapter 11 petition against each Debtor. [D.I. 1].

2. On September 16, 2024 (the "Order for Relief Date"), this Court entered an order for relief in the Debtors' involuntary chapter 11 cases and directed the appointment of a chapter 11 trustee. [D.I. 147].



3. On September 23, 2024, the United States Trustee for Region 3 duly appointed Claudia Z. Springer as chapter 11 trustee (the “Trustee”) of each Debtor, subject to approval by the Court, [D.I. 152], and on October 7, 2024, this Court entered an order approving the appointment of the Trustee. [D.I. 180].

4. Aeronet is the Owner/operator of a commercial warehouse located at 2335 W. Walnut Avenue, Rialto, CA. 92376 (the “Warehouse”) at which Debtor Tangible Play, Byjus PBT Ltd., Byjus, Inc. and OSMO, Inc. stored certain of what Aeronet is informed and believes is their inventory, but without compensating Aeronet and notwithstanding invoices generated in the ordinary and regular course of Aeronet’s business.

5. Docket Number 645 is the Chapter 11 Trustee’s Omnibus Motion for Entry of an Oder (I) Authorizing the Rejection of Tangible Play Logistics Services Agreements and Abandonment of Related Personal Property Effective as of April 21, 2025; and (II) Granting Related Relief. (the “Rejection Motion.”)

6. Aeronet filed its Limited Objection to the Rejection Motion and on May 1, 2025, the Court entered the Order granting the Rejection Motion. A true and correct copy of said Order is Exhibit “A” hereto.

7. Pursuant to the aforementioned Order at Paragraph 10, Aeronet retained the right to assert any claims, including, but not limited to its administrative expense claim, and without prejudice to the rights of any party to object to any such claims asserted by Aeronet.

8. Aeronet had filed its Proof of Claim identified as Claim Number 168 on March 24, 2025, and in which claim, it asserted a prepetition claim in the sum of \$597,891.43 and a postpetition claim of \$169,200.80 for a total claim of \$767,173.23.

9. The Trustee's Rejection Notice asserts the claim has been fully satisfied, however, as the Trustee knows, no payments against the Claims have been made, and while the Estate may have abandoned any interest in personal property as identified in the Rejection Motion, nothing contained therein served to eliminate or satisfy in whole or in part the Aeronet Claim. To the extent Aeronet is able to dispose of the inventory abandoned by the Estate, and if Aeronet is able to monetize same, it will of course amend its Claims in accordance with applicable bankruptcy law.

**OBJECTION**

10. The prepetition obligation owing to Aeronet of \$597,891.43 as reflected in its Proof of Claim is prepetition and unrelated to any lease rejection damages.

11. Only a month-to-month tenancy existed between the Estate and Aeronet for inventory storage and related transportation and services, as a result of which, there was no lease to reject. Further, Aeronet expressly reserved its rights to assert its claims for both prepetition and post-petition damages, the Rejection Order notwithstanding. A Motion for Allowance and Payment of Administrative Rent is being filed concurrently herewith.

12. The Trustee's contention that the Aeronet Claim has been fully satisfied fails to demonstrate how satisfaction allegedly occurred. Clearly not by way of any payment from the Estate on account of its use of the Aeronet facilities for storage of personal property while the Trustee pursued the administration of the assets postpetition and nothing within the Rejection Motion addresses Aeronet's prepetition rights. That the Estate's abandonment of certain personal property pursuant to the Aeronet lien on same may have occurred, does not summarily resolve Aeronet's right to payment of its Claims.

13. Aeronet is entitled to allowance and payment of an Administrative Claim. Section 503 of the Bankruptcy Code states that an entity shall be allowed an administrative expense claim

for “the actual, necessary costs and expenses of preserving the estate....” 11 U.S.C. § 503(b)(1)(A). An administrative expense claim will be allowed where the expense arose postpetition and conferred a benefit on the debtor’s estate. *In re Harnischfeger Indus., Inc.*, 293 B.R. 650, 659 (Bankr. D. Del. 2003). The purpose behind granting administrative priority to certain expenses under Section 503(b)(1)(A) is to provide an incentive for creditors and lessors to continue or commence doing business with an insolvent entity. *See In re Summit Metals, Inc.*, 379 B.R. 40, 56 (Bankr. D. Del. 2007). Thus, it is a bedrock principle that postpetition creditors are entitled to administrative expense priority under Section 503(b)(1)(A) when such creditors’ services benefit the estate. *See In re Transamerican Natural Gas Corp.*, 978 F.2d 1409, 1418-19 (5th Cir 1992).

14. The application of the foregoing factors to the present circumstances demonstrates that the Trustee has not satisfied in whole or in part either the Aeronet prepetition or postpetition claims, the latter of which is subject to allowance pursuant to Section 503(b)(1)(A) and which must be subject to further review.

15. The Trustee continued to utilize the Aeronet facilities for storage of the Debtors’ inventory postpetition and the Estate derived substantial benefits from Aeronet’s warehouse facilities without compensation, therefore. The Trustee’s continued use of Aeronet’s warehouse facilities pursuant to a month-to-month tenancy was therefore an actual, necessary cost and expense of preserving the Debtors’ bankruptcy estates within the meaning of 11 U.S.C. 503(b)(1). The balance of the obligation, to wit: prepetition rent for the use of Aeronet’s warehouse facilities by the Debtor remains due. No lease rejection claim has been asserted.

**WHEREFORE**, Aeronet respectfully requests this Court determine that the Claims of Aeronet, both prepetition and postpetition not be compromised by the Trustee's Notice of Objection.

Dated: August 18, 2025.

Respectfully submitted,

/s/ Michael J. Joyce

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**CERTIFICATE OF SERVICE**

I hereby certify that on August 18, 2025, I caused a true and correct copy of the foregoing *Aeronet Worldwide, Inc's Limited Objection and Reservation of Rights in Response to Trustee's First Notice of Satisfaction of Certain Fully Satisfied Claims* to be electronically filed with the Clerk of Court and served on the parties on the attached service list via CM/ECF and first-class mail.

Dated: August 18, 2025

/s/ Michael Joyce  
Michael J. Joyce

**EXHIBIT A**

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