

**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)

Hearing Date: October 29, 2025, at 10:00 a.m.
(ET)

Objection Deadline: September 1, 2025, at 4
p.m. (ET)

**AERONET WORLDWIDE, INC.'S MOTION FOR PAYMENT OF ADMINISTRATIVE
EXPENSE CLAIM, AND RESERVATION OF RIGHTS**

COMES NOW AERONET WORLDWIDE, INC. ("AERONET"), by and through its undersigned counsel, and hereby submits this Motion for Allowance and Payment of Administrative Claim (the "Motion") for an order allowing AERONET an administrative expense claim in an amount of not less than \$169,280.80, together with such additional amounts as come be deemed to have come due through April 21, 2025. In support of the Motion, AERONET states as follows:

A. JURISDICTION AND VENUE

1. This Court has Jurisdiction over this Motion pursuant to 28 U.S.C. §§157 and 1334. Venue is proper pursuant to 28 U.S.C. §§1408 and 1409. The statutory predicate for this Motion is Section 503(b) and is submitted in furtherance of the claim of Aeronet's claim to right to payment of an administrative claim pursuant to 11 U.S.C. §§503(b)(1)(A) and 11 U.S.C. 507(a)(2).



B. BACKGROUND

2. 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].

3. On June 27, 2024, the Bankruptcy Court entered an order directing joint administration of the above captioned debtors (the “Debtors”) cases for procedural purposes following the institution of involuntary bankruptcy proceedings.

4. 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].

5. 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].

6. 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. had stored certain of what Aeronet is informed and believes is their inventory at their special instance and request, but without compensating Aeronet and notwithstanding invoices generated in the ordinary and regular course of Aeronet’s business.

7. Postpetition, the bankruptcy estate, through the Trustee and her counsel chose to continue to utilize Aeronet's warehouse facility to store the Estate's inventory without receipt of compensation whatsoever.

8. Docket Number 645 is the Chapter 11 Trustee's Omnibus Motion for Entry of an Order (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").

9. 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. 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.

10. The ongoing use of Aeronet's warehouse facility for storage of the bankruptcy estate's inventory by the Trustee is an obligation which is entitled to administrative priority and by this Motion, Aeronet seeks the immediate payment of same. As of April 1, 2025, the administrative expense priority for warehouse storage and related expenses by the Trustee is the sum of \$169,280.80 which the Aeronet contends the bankruptcy estate is obligated to pay.

11. Submitted herewith is the Declaration of Mark Pereira, the CEO of Aeronet attesting to the summary of the postpetition administrative claim which is submitted herewith as Exhibit "1."

C. BASIS FOR RELIEF PRAYED FOR:

12. Section 507(a)(2) of the Bankruptcy Code grants priority to "administrative expenses allowed under section 503(b) of this title." Section 503(b)(1)(A) defines administrative expenses as the "actual, necessary costs and expenses of preserving the estate." The Eleventh Circuit has

held that the list in section 503 is simply illustrative—not exhaustive—of administrative expenses. *In re Colortex Indus., Inc.*, 19 F.3d 1371, 1377 (11th Cir. 1994) (explaining that “the use of the word ‘including’ [in Section 503(b)] is not intended to be limiting”). In order to be treated as an administrative expense, the expense must: “(1) arise from a transaction with the debtor-in-possession, and (2) is beneficial to the debtor-in-possession

13. In order to be treated as an administrative expense, the expense must: “(1) arise from a transaction with the debtor-in-possession, and (2) is beneficial to the debtor-in-possession Case 22-17842-PDR Doc 1973 Filed 10/12/23 Page 6 of 12 7 in the operation of the business.” *In re Moltech Power Sys., Inc.*, 273 B.R. 268, 271 (N.D. Fla. 2002) (citing *In re Jartran, Inc.*, 732 F.2d 584, 586–87 (7th Cir. 1984)); see also 4 Collier on Bankruptcy ¶ 503.06[3] (2023) (“Most courts apply a two-part test to determine whether a claim is entitled to administrative expense priority under section 503(b)(1)(A). First, it must arise from a transaction with the bankruptcy estate, and second, it must have directly and substantially benefitted the estate.”). Notably, “[t]he policy behind giving priority to administrative expenses in Chapter 11 proceedings is to encourage creditors to supply necessary resources to debtors postpetition.” *In re Mid Region Petroleum, Inc.*, 1 F.3d 1130, 1134 (10th Cir. 1988) (internal quotations omitted).

14. A party’s contracted-for “availability” of its services in a pre-petition contract can constitute a transaction with the debtor’s estate post-petition. See, e.g., *Peters v. Pikes Peak Musicians Ass’n*, 462 F.3d 1265 (10th Cir. 2006) (affirming that musicians’ availability constituted services under § 503); *In re Native Am. Sys., Inc.*, 351 B.R. 135 (10th Cir. B.A.P. 2006) (affirming that either the provision of services or willingness to provide those services constituted a transaction that benefitted the debtor for an administrative expense claim). *In Peters v. Pikes Peak Musicians Association*, the Tenth Circuit held that the service specifically bargained

for under the musicians' prepetition collective bargaining agreement was the musicians' availability. 462 F.3d 1265, 1272–73 (10th Cir. 2006). Relying on the fact that “the service specifically bargained for availability,” the court found at Case 22-17842-PDR Doc 1973 Filed 10/12/23 Page 7 of 12 8 “it was possible for the musicians to comply with the agreement . . . even if they never played.” *Id.* at 1272. Thus, the court reasoned that “by foregoing other opportunities and remaining ready, willing, and able to play, the musicians performed ‘services’ under the terms of the contract” that supported their claim for an administrative expense. *Id.*

15. *In Native American Systems*, the court looked to the debtor's conduct to determine whether the debtor had “indicated an intent to retain the benefit of the [creditor's] contracts.” 351 B.R. at 140. The court found it relevant that the debtor “neither assumed nor rejected the [creditor's] contracts, and instead merely acquiesced in [the creditor's] providing of services.” *Id.* In the case at bar, Debtor, Tangible Play utilized the Aeronet Warehouse prepetition for approximately for which it failed to pay for warehouse fees, costs and transportation services in the sum of \$597,891.43 which claim is the subject of Aeronet's Proof of Claim identified as Claim Number 168.

16. Postpetition, the Bankruptcy estate has continued to utilize the Warehouse facility without payment therefore to Aeronet. The availability of Aeronet's Warehouse was necessary to preserve the Debtor's estate because it allowed the Debtor and the Estate to continue to preserve estate assets while the Trustee attempted to liquidate same for the benefit of creditors. Having been unable to locate a suitable buyer, the Trustee abandoned the inventory, but not before incurring administrative fees and costs of \$169,280.80.

17. In the Eleventh Circuit, a claim on a post-petition expense may be allowed pursuant to Bankruptcy Code sections 503(b)(1) and 507(a)(2) as an administrative priority claim where such

expense is actual and necessary, and where there is a concrete benefit to the debtor's estate. *In re Sports Shinko (Fla.) Co., Ltd.*, 333 B.R. 483, 490 (Bankr. M.D. Fla. 2005) (internal citations and quotation marks omitted). As stated above, Debtor did, in fact, utilize the Aeronet Warehouse prepetition and that use continues, postpetition under the watchful eyes of the bankruptcy trustee.

D. RESERVATION OF RIGHTS

18. Aeronet hereby expressly reserves all of its rights, claims, counterclaims, defenses, and remedies under the Bankruptcy Code, its contractual agreements with the Debtors, and other applicable law. Aeronet additionally reserves the right to assert additional claims against the Debtors of any nature for any other amounts and to amend, modify, and/or supplement this Application.

WHEREFORE, Aeronet respectfully requests this Honorable Court to issue an order approving the payment of its administrative claim in the sum of \$169,280.80 forthwith. Said payment should be without prejudice to any additional amounts which come due after August 1, 2025, which Aeronet contends are also entitled to administrative priority status.

[Signature Page to Follow]

Dated: August 18, 2025

Respectfully submitted,

/s/ Michael J. Joyce

Michael J. Joyce (No. 4563)

JOYCE, LLC

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Suite 800

Wilmington, DE 19801

(302)-388-1944

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Local Counsel to Aeronet Worldwide Storage, Inc

-and-

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Lead Counsel to Aeronet Worldwide Storage, Inc.

EXHIBIT 1

DECLARATION OF MARK PEREIRA

I, Mark Pereira declare that:

1. If called upon as a witness, I would testify that the within Declaration is true and correct and that same was executed in the County Los Angeles, State of California.
2. I am Chief Executive Officer of Aeronet Worldwide, Inc. ("Claimant.") In said capacity, I am one of the custodians of the books, records and files of Landlord, as to those books, records and files that pertain to the maintenance and warehousing of the personal property of Tangible Play, Inc. which is hereinafter referred to as the Debtor.
3. 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. had stored certain of what Aeronet is informed and believes is their inventory at their special instance and request, but without compensating Aeronet and notwithstanding invoices generated in the ordinary and regular course of Aeronet's business.
4. I have personally worked on the relevant books, records and files regarding the utilization by Debtor and the bankruptcy estate of the Aeronet Warehouse for the warehousing of certain personal property of the Debtor, (subject to any and all lien rights of Aeronet) and as to the following facts, I know them to be true of my own knowledge or I have gained knowledge of them from the business records of Landlord, which were made at or about the time of the events recorded, and which records are maintained in the ordinary course of Aeronet's business at or near the time of the acts, conditions or events to which they relate.
5. Submitted with this Declaration as Exhibit "A" is a true and correct summary of the accounting maintained for warehouse services rendered to the bankruptcy estate with

its knowledge and consent for the period after the petition date. Unpaid administrative rent is \$169,280.80 and covers the Petition Date through and including April, 2025.

6. The undersigned on behalf of Aeronet does hereby reserve the right to amend or supplement in any manner this Declaration for all purposes as later discovered information provides a basis therefor, but expressly reserves all rights on behalf of Petitioner with respect to payment of rent and related charges as well as any and all future damages arising out of or related to the bankruptcy estate's use of the Warehouse.
7. Nothing contained herein should be construed as waiving or in any manner limiting the rights of Aeronet with respect to any rights, remedies or claims it may have against the Debtor and further as to its statutory right to receipt of all postpetition amounts due, owing and unpaid.
8. I declare under penalty of perjury that the foregoing is true and correct and that this Declaration was executed on the ____ day of August 2025, at Los Angeles, California.



MARK PEREIRA
Declarant

EXHIBIT A



STATEMENT

AERONET WORLDWIDE
P.O. BOX 17239
Irvine, CA 92623
(949) 474-3000

ID: 676854

Tangible Play, Inc.
195 Page Mill Road
Suite 105
Palo Alto, CA 94306
US

Date: 02/18/2025

Invoice #	Inv Date	Due Date	Pc	Wt.	Dim Wt.	Consignee Name	Address	SP	Days Aged	Balance Due
125001785	08/08/2023	09/07/2023	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US	SP	560	\$47,138.53
125001889	09/08/2023	09/08/2023	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US		529	\$53,981.13
125002094	09/28/2023	09/28/2023	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US		509	\$15,358.34
125002012	10/06/2023	10/06/2023	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US		501	\$31,170.00
125002129	11/03/2023	12/03/2023	1	1	0	Tangible Play, Inc.	Palo Alto, CA 94306; US		473	\$27,606.00
125002315	11/15/2023	12/15/2023	1	1	0	Tangible Play, Inc.	Palo Alto, CA 94306; US		461	\$60,878.93
125002265	12/04/2023	01/03/2024	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US		442	\$27,606.00
125002391	01/11/2024	02/10/2024	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US		404	\$27,606.00
125002513	02/13/2024	03/14/2024	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US		371	\$27,606.00
125002638	03/04/2024	04/03/2024	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US		351	\$27,606.00
125002771	03/29/2024	04/28/2024	1	1	0	Tangible Play, Inc.	Rialto, CA 92376; US		326	\$41,726.00
125002838	04/10/2024	05/10/2024	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		314	\$42,600.00
125002821	04/12/2024	05/12/2024	1	1	0	Tangible Play, Inc.	Ontario, CA 91761; US		312	\$28,050.00
105156237	05/01/2024	05/31/2024	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		293	\$30,630.00
105157540	05/30/2024	06/29/2024	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		264	\$30,630.00
105158124	06/11/2024	07/11/2024	0	0	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		252	\$30,630.00
105160439	08/07/2024	09/06/2024	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		195	\$30,732.50
105163021	10/04/2024	11/03/2024	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		137	\$30,630.00
105163024	10/04/2024	11/03/2024	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		137	\$14,294 postpetition
105164492	11/05/2024	12/05/2024	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		105	\$31,089.45
105165959	12/06/2024	01/05/2025	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		74	\$31,089.45
105166829	01/02/2025	02/01/2025	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		47	\$31,089.45
105168058	02/05/2025	03/07/2025	1	1	0	AERONET	DOMINGUEZ HILLS, CA 90220; US		13	\$31,089.45

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Pre-Petition Subtotal:
\$597,891.43Post-Petition Subtotal:
\$169,280.80

Grand Total: \$767,173.23

**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)

**ORDER GRANTING AERONET WORLDWIDE, INC.'S MOTION FOR PAYMENT OF
ADMINISTRATIVE EXPENSE CLAIM AND RESERVATION OF RIGHTS**

Upon consideration of Aeronet Worldwide Inc.'s ("Aeronet") Motion for Payment of Administrative Expense Claim and Reservation of Rights (the "Motion"), and the Court having jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate and sufficient notice of the Motion having been provided; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED**:

1. Aeronet is allowed an administrative expense claim in the amount of \$169,280.80 (the "Post Petition Claim").
2. The Debtors are directed to pay the Post Petition Claim within seven (7) days of the entry of this Order.
3. Nothing in this Order shall prejudice the rights of Aeronet to seek additional relief or assert further claims related to the matters set forth in the Motion or any other matter.
4. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

**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)

**Hearing Date: October 29, 2025, at 10 a.m.
(ET)**

**Objection Deadline: September 1, 2025, at 4
p.m. (ET)**

**NOTICE OF AERONET WORLDWIDE, INC.'S MOTION FOR PAYMENT OF
ADMINISTRATIVE EXPENSE CLAIM AND RESERVATION OF RIGHTS**

PLEASE TAKE NOTICE that on August 11, 2025, Aeronet Woldwide, Inc. ("Aeronet") filed *Aeronet Woldwide Inc.'s Motion for Payment of Administrative Expense Claim and Reservation of Rights* (the "Motion") with the United States Bankruptcy Court for the District of Delaware.

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be filed on or before **September 1, 2025, at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon Movant's undersigned counsel so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE that a hearing on the Motion will be held on **October 29, 2025, at 10:00 a.m. (ET)** before the Honorable Brenden L. Shannon in the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, courtroom 1, Wilmington, Delaware 19801, if an objection is filed.

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN
ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF
REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OF A HEARING.**

Dated: August 18, 2025
Wilmington, Delaware

/s/ Michael J. Joyce
Michael J. Joyce (No. 4563)
JOYCE, LLC
1225 King Street, Suite 800
Wilmington, DE 19801
(302)-388-1944
mjoyce@mjlawoffices.com

Counsel to Aeronet Woldwide, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on August 18, 2025, I caused a true and correct copy of the foregoing *Aeronet Woldwide Inc. 's Motion for Payment of Administrative Expense Claim and Reservation of Rights* 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