

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

NVN Liquidation, Inc. f/k/a NOVAN, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Re: Docket No. ____

**ORDER GRANTING TRUSTEE'S FIRST OMNIBUS OBJECTION TO CLAIMS
(SUBSTANTIVE)
(Equity Claims, Misclassified Claims, and No Liability Claims)**

Upon the *Trustee's First Omnibus Objection to Claims* (the "Objection") seeking entry of an order reclassifying, disallowing and/or expunging the claims (collectively, the "Subject Claims") set forth on Schedules 1, 2 and 3 attached hereto and made a part hereof (the "Schedules"), all as more fully set forth in the Objection; and upon the *Declaration of Alan D. Halperin Pursuant to 28 U.S.C. § 1746 and Local Rule 3007-1 in Support of Trustee's First Omnibus Objection to Claims (Substantive)* filed contemporaneously with the Objection and in support thereof; and this Court having jurisdiction to consider the Objection and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Objection and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Objection having been provided, and no other or further notice being required; and the Court having considered all responses to the Objection, if any, and all such responses having been either overruled or withdrawn; and upon all proceedings had before the Court; and the Court having

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification number, are: NVN Liquidation, Inc. (f/k/a Novan, Inc.) (7682) and EPI Health, LLC (9118).



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determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and

This Court having **FOUND AND DETERMINED THAT:**

A. The holders of the Subject Claims listed on the Schedules were properly and timely served with a copy of the Objection and all of its accompanying exhibits, schedules and notice of hearing on the Objection and response deadline.

B. Any entity known to have an interest in the Subject Claims has been afforded reasonable opportunity to respond to, or being heard regarding, the relief requested in the Objection, and

C. The relief requested in the Objection is the in the best interests of the Debtors, their estates, the Trust² and its beneficiaries, and other parties in interest;

And after due deliberation and sufficient cause appearing therefor,

IT IS THEREFORE ORDERED THAT:

1. The Objection is GRANTED.
2. The Equity Claims listed on **Schedule 1** are hereby reclassified as class 6 Equity Interests and are hereby disallowed and expunged in their entirety.
3. The Misclassified Claims listed on **Schedule 2** are reclassified as general unsecured claims as reflected on the schedule.
4. The No Liability Claims listed on **Schedule 3** are hereby disallowed and expunged in their entirety.

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

5. The Claims Agent is hereby authorized and directed to reclassify, disallow and/or expunge the Subject Claims on the Claims Register as reflected in and consistent with this Order and to make other changes to the Claims Register as necessary to effectuate the terms of this Order.

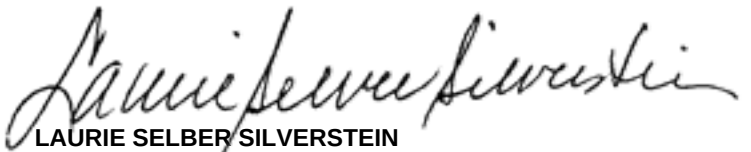
6. The Objection to each of the Subject Claims constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each of the Subject Claims. Any stay of this Order pending appeal by any holder of any of the Subject Claims shall apply only to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to other contested matters covered hereby.

7. Nothing in the Objection or this Order shall be construed as an allowance of any of the Subject Claims or any other claims.

8. The Trustee's right to amend, modify, or supplement the Objection, to file additional objections to the Subject Claims or any other claims (filed or not) which have or may be asserted against the Debtors, and to seek further reduction of any of the Subject Claims, are fully preserved. Additionally, should one or more of the grounds of objection stated in the Objection be dismissed, the Trustee's right to object on other stated grounds or any other grounds that the Trustee discovers during the pendency of these Cases are further preserved.

9. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: December 16th, 2024
Wilmington, Delaware


LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1

Schedule 1 - Equity Claims

Claimant	Claim Number	Debtor	Asserted Claim Amount and Classification	Reason for Reclassification and Disallowance
Allielee Thompson	144	Novan, Inc.	\$2,611.54 Administrative	Claimant asserts an Equity Interest in one or more of the Debtors. As of the Effective Date, all Equity Interests were cancelled under the Plan.
Hassan Andulaziz AlSanounah	329	Novan, Inc.	\$40,600.00 General Unsecured	Claimant asserts an Equity Interest in one or more of the Debtors. As of the Effective Date, all Equity Interests were cancelled under the Plan.
Sonal Patel	339	Novan, Inc.	\$215.99 Administrative	Claimant asserts an Equity Interest in one or more of the Debtors. As of the Effective Date, all Equity Interests were cancelled under the Plan.
Tamara Nazzaro	85	Novan, Inc.	142.96 Administrative	Claimant asserts an Equity Interest in one or more of the Debtors. As of the Effective Date, all Equity Interests were cancelled under the Plan.

SCHEDULE 2

Schedule 2 - Misclassified Claims

Name of Claimant	Claim No.	Debtor	Asserted Claim Amount (s)	Asserted Classification (s)	Modified Amount and Classification	Reason for Modification
Allegro Biopharma Associates, L.L.C.	7	Novan, Inc.	(a) \$2,205.00; (b) \$15,150.00	(a) General Unsecured (b) Administrative under 11 U.S.C. Section 503(b)(9)	\$17,355.00 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Catherine Motosko	317	Novan, Inc.	\$100.00	Priority under 11 U.S.C. Section 507(a)(4)	\$100.00 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
Dermatology Authority	17	Novan, Inc.	\$6,715.40	Administrative under 11 U.S.C. Section 503(b)(9)	\$6,715.40 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Frankel Staffing Partners	39	Novan, Inc.	(a) \$2,350.00; (b) \$15,150	(a) General Unsecured; (b) Administrative under 11 U.S.C. Section 503(b)(9)	\$17,500 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
Heinkel Filtering Systems, Inc.	54	Novan, Inc.	\$15,315.49	Administrative under 11 U.S.C. Section 503(b)(9)	\$15,315.49 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Intuitive Graphite, Inc.	46	Novan, Inc.	\$2,240.00	Administrative under 11 U.S.C. Section 503(b)(9)	\$2,240.00 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Intuitive Graphite, Inc.	47	EPI Health, LLC	\$3,900.00	Administrative under 11 U.S.C. Section 503(b)(9)	\$3,900.00 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Kristine Barry	14	Novan, Inc.	\$340.00	Priority under 11 U.S.C. Section 507(a)(4)	\$340.00 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
Law Office of Kathleen Lynch, PLLC	67	Novan, Inc.	(a) \$143.00; (b) \$14,550.00	(a) General Unsecured; (b) Priority under 11 U.S.C. Section 507(a)(4)	\$14,693.00 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
MC2 Therapeutics A/S	351	EPI Health, LLC	(a) \$1,443,305.32; (b) unliquidated amount	(a) General Unsecured (b) Administrative under 11 U.S.C. Section 507(a)(2)	\$1,443,305.32 + unliquidated amount General Unsecured	Claimant asserts an unliquidated amount as an administrative claim and has not established a basis for an administrative claim under 11 U.S.C. Section 507(a)(2). Therefore, the unliquidated amount should be reclassified to a general unsecured claim.
Novus Proximus LLC (Patrick Coyle)	9	EPI Health, LLC	(a) \$7,350.00 (b) \$15,150.00	(a) General Unsecured (b) Priority under 11 U.S.C. Section 507(a)(4)	\$22,500 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
Sycamore Financial Consulting, LLC	138	Novan, Inc.	(a) \$1,400.00 (b) \$700.00	(a) General Unsecured (b) Administrative under 11 U.S.C. Section 503(b)(9)	\$2,100.00 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).

SCHEDULE 3

<u>Schedule 3 - No Liability Claims</u>					
Claimant	Claim Number(s)	Debtor	Asserted Claim Amount(s) and Classification(s)	Reason for Disallowance	
Christy Crump	90	Novan, Inc.	(a) \$15,000 Priority under 11 U.S.C. Section 507(a)(4); (b) \$5,000 General Unsecured	Claimant asserts a claim against the Debtor for back bonus from sales. The claimant was a former employee and executed a severance agreement with the Debtor and was paid under the foregoing in exchange for a release of all claims.	
Lauren Madden	75	Novan, Inc.	\$15,000 Priority under 11 U.S.C. Section 507(a)(4)	Claimant asserts a claim against the Debtor for "good sold." The claimant was a former employee and executed a severance agreement with the Debtor and was paid under the foregoing in exchange for a release of all claims.	
USI Insurance Services	26	Novan, Inc.	\$10,427.97 General Unsecured	Claimant is a broker and asserts a claim against the Debtors for "insurance." Based on the Debtors' books and records, all claims asserted herein were fully satisfied.	