

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:

WELLMADE FLOOR COVERINGS
INTERNATIONAL, INC., *et al.*,

Debtors.

Chapter 11

Case No. 25-58764

(Jointly Administered)

**THE LABOR PLAINTIFFS' LIMITED OBJECTION TO
DEBTORS' INTERIM APPLICATION FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES
INCURRED BY GREENBERG TRAURIG, LLP**

On December 2, 2025, Debtors filed their Interim Application for Allowance of Compensation and Reimbursement of Expenses Incurred by Greenberg Traurig, LLP ("GT"), Counsel for the Debtors, for the period from August 4, 2025 through October 31, 2025. (ECF No. 275 (the "GT Interim Fee Application").

The Labor Plaintiffs¹ hereby submit a limited objection to the GT Interim Fee Application based on the reasons set forth below and reserve the right to object

¹ The Labor Plaintiffs include: Yucong Liu (Claims No. 82, 84, 122-3, 124, 126), Yixiang Zhang (Claims No. 107-8), Cangen Han (Claims No. 85-6), Nan Liu (Claims No. 88-9), Haitao Sun (Claims No. 87, 90), Yao Yan (Claims No. 77, 80), Shuai Zhang (Claims No. 102-3), Shengxiang Yu (Claims No. 79, 81), Jiansheng Yin (Claims No. 109, 111), Wen Chen (Claims No. 64-5), Shengda Yu (Claims No. 78, 83), Shun Yu (Claims No. 66, 98), Jinchao Si (Claims No. 67-8), Shunkui Wang (Claims No. 69-70), Jiagen Yang (Claims No. 74, 92), Jingjing Zhang (Claims No. 91, 93), Yanxi Gao (Claims No. 101, 110), Yorman Ojeda Herrera (Claims No. 116-7), Marianela Piña Yaguari (Claims No. 99-100), Eglis Almarza Diaz (Claims no.



to these and all other applications for fees and costs at the time of final fee application approval pursuant to 11 U.S.C. § 330. While the Labor Plaintiffs acknowledge that the sale has been successful in generating significant funds for the estate, the Labor Plaintiffs caution that this should not be an invitation for professionals in this case to engage in unnecessary or excessive billing, particularly while the entire universe of general unsecured claims remains unliquidated.

In reviewing the GT Interim Fee Application, the Labor Plaintiffs are concerned by several aspects of this request for \$751,570 in fees for over 780 hours of work at a blended hourly rate of \$879.81, which are described below.

1. Excessive staffing.

GT has had a total of 22 attorneys billing on this matter, including 14 Shareholders, one Of Counsel, and seven Associates. In dealing with the Labor Plaintiffs' claims alone, aside from the two bankruptcy attorneys involved, the Labor Plaintiffs have dealt with at least three other Shareholders and one Of Counsel at different times. By way of example, for one Zoom conference about the Plaintiffs' Rule 2004 Motion on October 30, 2025, there were at least four GT attorneys on the call, including three Shareholders—each of whom has billed for the preparation for that call as well as the call itself.

118-9), Sijian Jiang (Claims No. 95, 112), Weiwei Li (Claims No. 94, 104), Guangshun Xing (Claims No. 75-6), Xianlai Wei (Claims No. 106, 113), and Pan Wang (Claims No. 96, 105).

2. Unnecessary and excessive litigation.

Labor Plaintiffs are also concerned that GT has spent a significant number of hours dedicated to taking positions that do not further the interests of the estate, and which were ultimately overruled by the Court.

One example concerns the Labor Plaintiffs' (ECF No. 171) and the Committee's (ECF No. 169) very reasonable request, based on the large number of immigrant workers at the Debtors' facility, that at least some portion of the Bar Date Notice be translated into Chinese and Spanish. Despite this request causing no discernable prejudice to the estate, GT did not consent to the request. Instead, GT incurred a significant expenditure of time and resources researching this issue, objecting to the request, holding conferences, and attending Court hearings on these issues. (*See* ECF Nos. 171, 197, 213, 218). Ultimately, a Chinese and Spanish translation were included in the Bar Date Notice and even on parts of Form 410 itself. (ECF No. 222).

In another example, the Labor Plaintiffs made a Rule 2004 request for limited discovery related to their claims. Once again, GT took the position that Labor Plaintiffs should not be entitled to any discovery at all. Even when the Labor Plaintiffs offered to forego the deposition and significantly limit their requests to certain categories of documents for only those individual creditors whom they already represented, as well as afford all protections available under the Federal

Rules of Civil Procedure, GT denied this request. Instead, GT expended no less than 28.3 hours, or \$28,760 in fees, related to these issues, including multiple attorneys performing legal research, four attorneys participating in a meet and confer, and a Court hearing on the issue. Ultimately, the Court ordered Debtors to provide the limited discovery requested by the Labor Plaintiffs.

3. Inefficient billing.

In carrying out the aforementioned tasks, the billing is further inflated because Shareholders were performing tasks that should be handled by attorneys with lower billing rates. As one example, on September 16, 2025, John Elrod billed 5.10 hours at \$1250 per hour on the following task: “Researched and reviewed law regarding notice to former employees/contractors in various languages.” On October 4, 2025, John Elrod then billed 3.5 hours on “research regarding notice issues for former employees and contractors.”

4. Advancing equity holder interests.

Labor Plaintiffs are concerned that several of the positions advanced by GT are less focused on promoting the interests of the estate and instead seek to advance the interest of the equity holders—who, the Labor Plaintiffs understand, are the parties who originally retained GT. Indeed, prior to the bankruptcy, GT represented both Allen Chen and George Chen in the District Court litigation brought by the Labor Plaintiffs and represented George Chen in a discrimination

case by a former employee. Yet, even after the bankruptcy, the billing records submitted by GT show significant coordination between GT and the attorneys who took over representation of the equity holders in these District Court cases. For example, GT has several billing entries related to working with “co-defense counsel” on a motion to stay proceedings and reviewing a motion to stay. Weeks after the bankruptcy, on August 21, 2025, multiple GT attorneys also billed for a conference with Allen Chen to “discuss strategy” and “next steps.” To the extent that any of these activities turn out to be primarily in the interest of the equity holders rather than the estate, the Labor Plaintiffs contend that the estate’s funds should not be used to compensate GT for these activities. *In re Prince*, 40 F.3d 356 (11th Cir. 1994).

5. Reservation of Rights

The Labor Plaintiffs are not requesting either a hearing or a ruling on their limited objections at this time. However, the Labor Plaintiffs are reserving their rights on these objections for the final fee application pursuant to 11 U.S.C. § 330. “A final fee application must be filed at the end of each professional’s engagement or the end of the case... Any amounts that were awarded as interim compensation are subject to reconsideration at any time prior to the final award, for any reason.” 3 COLLIER ON BANKRUPTCY, ¶331.04[3] at 331-23 (Richard Levin & Henry J. Sommer eds., 16th ed.).

Respectfully submitted this day: December 23, 2025.

/s/ Aaron Halegua

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CERTIFICATE OF SERVICE

I, Elaine Woo, certify that I am over the age of 18 and on this date I filed and served copies of the foregoing THE LABOR PLAINTIFFS' LIMITED OBJECTION TO DEBTORS' INTERIM APPLICATION FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED BY GREENBERG TRAURIG, LLP by using the Court's Electronic Case Filing program, which sends a notice of the above-listed document and an accompanying link to the document to the parties who have appeared in this case under the Court's Electronic Case Filing program, as indicated in **Exhibit A**.

This 23rd day of December 2025.

By: /s/ Elaine Woo
Elaine Woo
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Exhibit A

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