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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-sms (Jointly Administered) **Re Docket Nos. 402, 405, 419**

AMENDED OMNIBUS REPLY BRIEF IN SUPPORT OF MOTION FOR LEAVE TO FILE LATE PROOF OF CLAIM

Creditor Haitao Li, appearing pro se, respectfully submits this Amended Reply Brief in response to the Debtors' Omnibus Objection [Doc. No. 402] and the Unsecured Creditors' Committee's Joinder [Doc. No. 405].

The Creditor moves this Court to **SUSTAIN his Motion for Leave to File a Late Proof of Claim [Doc. No. 395]**, seeking an **Allowed Claim in the total amount of $152,015.10,** consisting of a **statutory priority wage claim up to the legal limit of $17,150 pursuant to 11 U.S.C. § 507(a)(4),** and a **general unsecured claim for the remaining balance of $134,865.10**.

PROCEDURAL AND FACTUAL BACKGROUND

1. Notice Defect: It was not until June 21, 2026, when Mr. Li received the physical copy of the Debtors' **Certificate of Service [Doc. No. 419]** reveals that the **Bar Date notice** was directed to a **vacant employee dormitory (66 Seminole Rd)**, despite Debtors' **operational knowledge** that Mr. Li vacated said premises on May 23, 2025.

2. Judicial Admission: During the formal hearing on June 17, 2026, Debtors' counsel **admitted on the record** that the Debtors possessed **actual notice of Mr. Li's identity and potential wage claims months ago,** while the global settlement plan was still actively being negotiated.

3. **Equitable Discovery and Immediate Action:** Mr. Li was systematically misled by prior

counsel regarding his status in the settlement pool due to a **severe clerical identity mix-up**. Crucially, Mr. Li initiated **immediate, affirmative legal action as early as January 7, 2026**—the exact same day he first learned from a coworker that former employees were taking collective legal action to recover unpaid wages and immediately initiated inquiries to seek independent legal remedies—demonstrating **early and continuous mobilization of resources long before any global settlement was finalized**, and maintained extraordinary diligence thereafter, exhausting all administrative options before filing pro se upon discovery of counsel's abandonment.

CASE TIMELINE OF EVENTS

To assist the Court in evaluating the equitable factors of **Excusable Neglect** and **Notice Defect**, Creditor submits the following verified chronology:

1. On March 26, 2025, the Federal Bureau of Investigation (the "FBI") intervened at the Debtors' factory facility due to human trafficking and forced labor allegations.
2. On May 23, 2025, Creditor Haitao Li permanently vacated the employer-provided housing located at 66 Seminole Rd due to his separation from the company, where he had been employed as a Workshop Supervisor and technician since May 20, 2024.
3. On May 28, 2025, Mr. Li updated his residential address with his automobile insurance provider, establishing an immediate, affirmative record of relocation upon vacating the Debtors' facility (Exhibit A).
4. On October 11, 2025, the court-ordered Bar Date notice for filing proofs of claim was mailed and delivered to the vacant employee housing facility, which was entirely unoccupied at the time, resulting in Mr. Li receiving no actual notice of the bar date (ECF No. 419).
5. On November 21, 2025, the court-ordered Bar Date for filing proofs of claim expired without Mr. Li's knowledge due to the aforementioned notice defect.
6. On January 7, 2026, Mr. Li was informed by a former coworker that other affected workers were pursuing legal remedies against the Debtors for unpaid wages, and he immediately initiated inquiries to seek independent legal options.
7. On January 12, 2026, Tapestri referred Mr. Li to Attorney Aaron Halegua, who retained Mr. Li and affirmatively stated that he would negotiate directly with the Debtors during the upcoming week of January 19, 2026.

8. On January 15, 2026, prior counsel established a communications group and collected Mr. Li's pay stubs and employment records to facilitate representation.
9. In January 2026, prior counsel verified Mr. Li's eligibility alongside twenty-five (25) other former Wellmade workers who had filed timely claims. Prior counsel subsequently raised Mr. Li's identity and specific unpaid wage claim directly to Debtors' counsel during settlement negotiations around the week of January 19, 2026.
10. As admitted by Debtors' counsel on the record during the June 17, 2026 hearing, the Debtors received actual notice of Mr. Li's identity and claim in January 2026 while the global settlement plan was actively being negotiated.
11. While prior counsel's May 18, 2026 letter documents that the Debtors refused to discuss late claims during mediation, Debtors' counsel stated during the June 17, 2026 hearing that they simply "never heard back" from prior counsel. Regardless of the communication breakdown between counsel, Mr. Li remained entirely unaware of his exclusion due to an internal clerical identity mix-up by prior counsel.
12. Between January 15 and March 10, 2026, Mr. Li repeatedly followed up with prior counsel regarding the active status of his claim.
13. On March 10, 2026, prior counsel mistakenly transmitted confidential files belonging to another claimant, "Haitao Sun," to Mr. Li. Mr. Li immediately clarified the misidentification and inquired about necessary documentation to execute.
14. On March 11, 2026, prior counsel instructed Mr. Li that signatures were not required at that time, maintaining Mr. Li's reasonable reliance on active legal representation.
15. On May 6 and May 11, 2026, prior counsel twice assured Mr. Li that the "Distribution Sheet" would be provided within days.
16. On May 13, 2026, prior counsel abruptly denied representation and abandoned Mr. Li's claim shortly before the anticipated distribution of the settlement funds.
17. From May 13 through June 1, 2026, following prior counsel's abrupt abandonment, Mr. Li embarked on an exhaustive search for alternative counsel, contacting multiple civil rights organizations—including Tapestri, Georgia Legal Services Program ("GLSP"), and Asian Americans Advancing Justice ("AAAJ")—and dozens of private law firms, all of which declined representation due to the advanced stage of the Chapter 11 proceedings.
18. On May 16, 2026, Mr. Li issued a formal protest to prior counsel and filed a grievance complaint with the New York State Bar Association.
19. On May 18, 2026, prior counsel admitted in writing that he had completely confused Mr. Li with another claimant, "Haitao Sun," and issued a formal apology.

20. In May 2026, facing total exclusion and a language barrier, Mr. Li independently retained and financed a private translator to translate bankruptcy procedures and draft emergency pleadings to move this Court pro se.
21. On June 1, 2026, Mr. Li transmitted his initial objection materials and motion for leave via certified mail (ECF No. 391).
22. On June 9, 2026, Mr. Li formally filed his Amended Objection (ECF No. 395).
23. On June 17, 2026, the Court held a formal hearing wherein Debtors' counsel admitted on the record that they possessed actual knowledge of Mr. Li's claim as early as January 2026.
24. On June 21, 2026, Mr. Li received the physical paper copy of the Debtors' Certificate of Service [Doc. No. 419], providing him with the first definitive and verifiable notice that the Debtors had directed the original Bar Date notice to the vacant employee dormitory, confirming the systematic failure of proper service.
25. On July 16, 2026, the Court is scheduled to conduct the final hearing on the pending motions.

LEGAL ARGUMENT

A. Violation of Constitutional Due Process (Fifth Amendment)

26. Under ***Mullane v. Central Hanover Bank & Trust Co.***, 339 U.S. 306 (1950), notice must be "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action." The Debtors' utilization of obsolete, vacant dormitory addresses for the Bar Date notice—despite possessing direct operational knowledge that the affected workforce had permanently vacated the premises following the March 2025 FBI intervention—fails to satisfy the minimum requirements of constitutional due process.
27. This deficiency does not constitute a mere clerical oversight. Rather, the service of critical bar date notices upon an shuttered, unoccupied facility constitutes a failure of equitable notice, resulting in a procedural default without actual notice to known creditors.

B. Excusable Neglect under the Pioneer Doctrine

28. Pursuant to ***Pioneer Investment Services Co. v. Brunswick Associates L.P.***, 507 U.S. 380 (1993) and **Fed. R. Bankr. P. 9006(b)(1)**, this Court must evaluate the equitable factors surrounding a late-filed claim. Mr. Li's procedural delay is fully excused under the

balancing factors articulated by the U.S. Supreme Court.

29. **Direct Diligence and Absence of Bad Faith**: The Creditor acted with complete immediacy upon equitable discovery, mobilizing legal aid resources on January 7, 2026, which represents the absolute earliest date he became aware of potential legal remedies. Although the Debtors assert that prior counsel's subsequent delay should be imputed entirely to the Creditor, the Supreme Court in ***Pioneer*** explicitly held that the excusable neglect inquiry is an "equitable one, taking account of all relevant circumstances."
30. **Forcing a non-English-speaking worker and human trafficking victim to pursue a separate, protracted legal malpractice lawsuit against abandoned counsel—while the Debtors retain his unpaid priority wages undisturbed in Chapter 11—perverts the principles of equity and judicial economy. A malpractice action cannot adequately substitute for the administration of an Allowed Claim within the bankruptcy estate; only this Court possesses the equitable authority to grant an Allowed Claim to prevent a manifest injustice.**
31. Mr. Li demonstrated extraordinary diligence by filing a grievance complaint with the New York State Bar Association and initiating this pro se motion shortly after discovering prior counsel's abandonment. The interim procedural delay was caused entirely by prior counsel's administrative misidentification in confusing "Haitao Li" with another claimant, "Haitao Sun," an error that the Creditor clarified immediately upon discovery but which counsel failed to rectify prior to withdrawing representation.
32. **Zero Prejudice to the Estate**: As admitted by Debtors' counsel on the record during the June 17, 2026 hearing, the Debtors possessed actual notice of Mr. Li's identity and potential claims as early as January 2026, while the settlement plans were still actively being structured. The allowance of this wage claim does not disrupt the liquidating plan or any binding allocations, as the claim has been properly bifurcated into priority and general unsecured allocations to comply strictly with statutory limits under **11 U.S.C. § 507(a)(4)**.
33. Failure of Equitable Notice: The Debtors exercised centralized control over their employees via mobile communication platforms and employer-provided housing. Having maintained constant communication through these direct channels during active operations, the Debtors' subsequent failure to transmit actual bar date notices to known workers at verified active addresses constitutes a material failure of equitable notice.

CONCLUSION AND RELIEF SOUGHT

34. The Creditor maintains that the allowance of his claim aligns with the equitable distribution objectives of Chapter 11. Denying this claim would reward the Debtors' omission regarding a valid, known wage claim, thereby transforming the bankruptcy process into a mechanism for procedural exclusion rather than fair financial reorganization.

WHEREFORE, Creditor Haitao Li respectfully requests this Court to:

1. **OVERRULE** the Debtors' and Committee's Omnibus Objections **[Doc. Nos. 402, 405]**.
2. **SUSTAIN** the Motion for Leave to File a Late Proof of Claim **[Doc. No. 395]**.
3. **ALLOW** the Creditor's priority wage claim of **$152,015.10** as an Allowed Claim, with **$17,150 designated as a Priority Wage Claim pursuant to 11 U.S.C. § 507(a)(4)**, and the remaining **$134,865.10 allowed as a General Unsecured Claim**.

Dated: July 13, 2026

Respectfully submitted,

Hai Tao Li

Haitao Li, Pro Se
318 Penn Station Way,
Euharlee, GA 30120
Telephone: (404) 831-1894
haotail263@gmail.com

Exhibit A

State Farm Mutual Automobile Insurance Company

Auto Insurance Binder

Georgia

Policy Number: E58 0392-E28-11

Named Insured(s)
HAITAO LI

Mailing Address
318 Penn Station Way
Euharlee GA 30120-5100

Vehicle
Year: 2007
Make: HONDA
Model: FIT
Body Style: 4D HB GAS
Vehicle Identification Number: JHMGD38477S023204

Agent
Pamela Perrone
1011 N. Tennessee Street
Cartersville GA 30120-3307
(770) 387-3177

COVERAGES AND LIMITS

No coverage is provided for your lending institution or leasing company if Comprehensive and Collision coverages are not included on the policy. If you did not select those coverages, you may need to contact State Farm® to discuss adding those coverages to your policy.

The premium shown on this binder must be in compliance with the Company's rules and rates and is subject to revision. The premium amounts do not include the additional fees required if the monthly payment plan was selected.

Coverages Applied For	Limits/Deductibles	Six-Month Premium
Liability - Bodily Injury / Property Damage	$25,000/$50,000/$25,000	$598.21
Total Six-Month Premium		**$598.21**

PREMIUM ADJUSTMENTS

Annual Mileage Discount
Good Driving Discount

ADDITIONAL INFORMATION

During the past 5 years has any driver or household member had	
A major violation?	No
License suspended, revoked, or refused?	No
Does any driver have	