Docket #0004 Date Filed: 10/6/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: NOBLE SUPPLY & LOGISTICS, LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 26-11369 (CTG) (Jointly Administered)
NOBLE SUPPLY & LOGISTICS, LLC, Plaintiff, v. DEFENSE LOGISTICS AGENCY, Defendant.	Adv. Proc. No. 26-50885 (CTG)

BRIEF IN SUPPORT OF MOTION OF NOBLE SUPPLY & LOGISTICS, LLC FOR PARTIAL SUMMARY JUDGMENT

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[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Noble Supply & Logistics, LLC (7926); COTS Solutions, LLC (4477); Federal Resources Supply Company, LLC (3636); FRS Holdings, LLC (2327); K.D. Analytical Consulting, LLC (6637); KDA Acquisition, LLC (5870); Noble Defense Corporation (N/A); Noble Equity Holdings, LLC (0851); Noble.com, LLC (4712); Noble Mission Support, LLC (7908); and Tactical & Survival Specialties, LLC (2266). The location of the Debtors' principal place of business and the Debtors' service address in these chapter 11 cases is 1 Marina Park Drive, Suite 220, Boston, MA 02210.

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Noble Supply & Logistics, LLC ("Noble" and, collectively with its affiliated debtors and debtors in possession, the "Debtors"), a debtor and debtor in possession in the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases") and plaintiff in the above-captioned adversary proceeding (this "Adversary Proceeding"), by and through its undersigned proposed counsel, hereby submits this Brief in support of the *Motion of Noble Supply & Logistics, LLC for Partial Summary Judgment* (the "Motion")[2] filed contemporaneously herewith.

PRELIMINARY STATEMENT

1. Noble and the other Debtors were forced to commence these Chapter 11 Cases due to significant operational and liquidity issues stemming in large part from ongoing disputes with the Defense Logistics Agency (the "DLA"), Noble's largest customer. Prior to the commencement of these cases, the DLA declined to renew certain contracts and terminated hundreds of millions of dollars in orders previously placed with Noble, which rendered the Debtors unable to service their funded debt and other obligations. The Debtors commenced these Chapter 11 Cases with minimal liquidity in order to maximize value for their stakeholders through a parallel sale and wind down process.

2. Since the petition date, the DLA has refused to pay Noble amounts due and owing under the parties' agreements, frustrating the Debtors' ability to operate their business and administer these Chapter 11 Cases. On September 18, 2026, the Court entered an Order finding the DLA violated the automatic stay by improperly blocking payment of $6,972,618 to Noble and directed the DLA to promptly remit payment thereof.[3]

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

[3] D.I. 151 at ¶ 6. Citations to [D.I.] shall refer to the docket in these Chapter 11 Cases.

3. More recently, the DLA has refused to validate proof of delivery for certain goods or services Noble delivered or provided in accordance with the parties' agreements. This has prevented Noble from invoicing the DLA for these goods and services and obtaining payment. The Government accepted delivery of such goods by signing the underlying receiving report or failing to timely reject delivered goods, and accepted such services at the time they were provided. Moreover, post-acceptance, the government did not raise any defects or nonconformities with respect to such goods and services.

4. The DLA's sole basis for failing to pay for these goods and services is because it purportedly terminated certain other orders that had not yet been fulfilled by a notice dated August 27, 2026. The DLA appears to take the blanket position—just as it did with respect to the parties' prior setoff dispute—that such termination entitles the DLA to withhold payment for *all* Noble orders, including approximately $14.5 million of orders that were fulfilled and delivered or provided to the DLA through and including the August 27 termination date (such orders, the "Pre-Termination Delivery Orders"). The DLA's absurd position cannot be reconciled with its own Termination Notices, which *expressly excluded* orders delivered through the date of termination, or relevant Federal Acquisition Regulations and provisions of the Uniform Commercial Code.

5. Based on the foregoing, Noble seeks partial summary judgment solely on its claims to recover the amounts due and owing on account of the Pre-Termination Delivery Orders. Because the DLA's purported termination was ineffective as to goods delivered and services provided through the date of termination, and which the government accepted, there can be no dispute that Noble is entitled to payment on account of the Pre-Termination Delivery Orders as a matter of law.

6. The DLA's obligation to pay Noble for the Pre-Termination Delivery Orders is fixed, matured, presently due, and payable on demand in view of Noble's delivery or provision of the underlying goods or services, the DLA's acceptance thereof, and the absence of any further act, event, or condition precedent required to trigger the DLA's payment obligation. Accordingly, Noble is entitled to turnover of the amounts due and owing under the Pre-Termination Delivery Orders pursuant to section 542 of the Bankruptcy Code. Alternatively, the DLA's failure to validate proof of delivery of the Pre-Termination Delivery Orders constitutes a breach of contract for which Noble is entitled to damages.

7. Noble's ability to administer these Chapter 11 Cases and maintain sufficient liquidity needed to maximize value for creditors is entirely dependent on its timely receipt of payment from the DLA and other customers. The Debtors' cash collateral budget[4] assumes that a material portion of the Pre-Termination Delivery Orders would be paid in the ordinary course. Absent an expedited resolution of this issue, the Debtors will exhaust their liquidity during the first week of November 2026. Accordingly, the relief sought herein is vital to Noble's ability to complete a sale process and confirm a plan in these cases.

8. In light of the exigent circumstances surrounding the instant dispute, Noble has contemporaneously filed a motion to expedite briefing with respect to this Motion with a request that it be heard no later than October 30, 2026. An expedited hearing on the Motion is necessary to ensure that Noble, if successful, can obtain payment of amounts due and owing from the DLA in time to avoid irreparable harm to these estates.

[4] *See Second Interim Order (I) Authorizing Limited Use of Cash Collateral, (II) Granting Adequate Protection Liens and Superpriority Administrative Expense Claims to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [D.I. 218] (the "Cash Collateral Order").

JURISDICTION AND VENUE

9. This Court has subject matter jurisdiction over this Adversary Proceeding and this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Pursuant to Bankruptcy Rule 7008, Noble consents to the entry of final orders or a final judgment by this Court in this Adversary Proceeding.

10. Venue of this proceeding is proper in this District pursuant to 28 U.S.C. § 1409.

11. The statutory predicates for the relief requested herein are sections 105(a), 541(a), and 542 of the Bankruptcy Code, Bankruptcy Rules 7001 and 7056, Federal Rule 56, and Local Rule 7056-1.

STATEMENT OF UNDISPUTED MATERIAL FACTS

I. Overview of Noble

12. Noble is a Boston-based small business that has supported the United States Department of War for over twenty years. Albergotti Declaration, ¶ 4. Since its founding in 2003 by Thomas W. Noble, III, Noble has acted as a global supplier of mission-critical, non-lethal military equipment and services to the United States military and its allies. *Id.* Through a combination of organic growth and strategic business acquisitions, Noble has built a logistical highway that connects over 4,000 government customers to over 15,000 vendors to ensure efficient supply lines and promote military readiness. *Id.*

13. Noble is the fifth largest prime vendor to the DLA, which manages the supply chain for the United States military. *Id.* at ¶ 5. The DLA is comprised of many subordinate commands, which handle discrete aspects of the military supply chain. *Id.* These subordinate commands include DLA Weapons Support, which provides weapons support for U.S. air, land, and sea operations, and DLA Troop Support, which is responsible for supply chains providing military

personnel with subsistence, medical supplies, clothing and textiles, and construction equipment. *Id.* Noble's relationship with the DLA is described in greater detail below.

II. Noble's Contracts with the DLA

14. Noble and the DLA are parties to multiple contracts, under which Noble supplies the United States military and its allies with, among other mission critical items, safety equipment, training services, and tactical gear. Albergotti Declaration, ¶ 6.

15. The following contracts between Noble and the DLA are relevant to the instant dispute:

i. Contract No. SPE8EJ-21-D-0022 dated as of January 5, 2021, through which Noble provides special operations equipment to military commands, federal agencies, and other authorized DLA customers located worldwide (the "SOE Contract");[5] and

ii. Contract No. SPE8EH-24-D-0003 dated as of March 14, 2024, through which Noble provides fire and emergency services equipment to military commands, federal agencies, and other authorized DLA customers located worldwide (the "F&ESE Contract" and, together with the SOE Contract, the "Contracts").[6]

Id. at ¶ 7.

16. The Contracts are known in the defense industry as "Indefinite Delivery, Indefinite Quantity" contracts. *Id.* at ¶ 9.

17. The SOE Contract has a base term of two years, followed by four two-year renewal periods, for a maximum potential term of ten years. Albergotti Declaration, ¶ 10. The current term of the SOE Contract ends on January 4, 2027. *Id.*

18. The F&ESE Contract had a base ordering term of two years ending on March 13, 2026, followed by four two-year renewal periods, for a maximum potential term of ten years. *Id.*

[5] The SOE Contract includes certain separately created administrative contract numbers.

[6] True and correct copies of the Contracts are attached to the Albergotti Declaration as Exhibits A-1 and A-2.

at ¶ 11. On March 13, 2026, the DLA sent Noble a notice of non-renewal of the F&ESE Contract. *Id.* The F&ESE Contract provides:

> Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period[.][7]

19. The Contracts provide that "[p]ayment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in the contract."[8]

20. As explained at the September 16, 2026 hearing, Noble's order fulfillment and invoice process under the Contracts is as follows:

i. *First*, contracted goods or services are delivered or provided to the DLA or another government end user (the "Government"), following which Noble receives proof of delivery from the shipper (in the case of goods) or training logs/sign in sheets (in the case of services);

ii. *Second*, Noble provides such proof of delivery of goods or provision of services to the DLA Contracting Officer under the relevant Contract;

iii. *Third*, the Contracting Officer validates the proof of delivery of goods or provision of services, which authorizes Noble to invoice the order;

iv. *Fourth*, Noble uploads an invoice to Wide Area Workflow ("WAWF"), the DLA's web-based invoicing platform. Once an invoice is uploaded to WAWF, it is processed by a DLA representative, who confirms that the invoice was properly submitted; and

v. *Fifth*, once the invoice is processed, the DLA instructs the Defense Finance & Accounting Service, which processes payments for the DLA, to remit payment to Noble.

Albergotti Declaration, ¶ 12.

[7] F&ESE Contact, Addendum 52.216-22 (d).

[8] F&ESE Contract, § 16(i); SOE Contract, § 17(i).

21. In the ordinary course of business, the DLA typically validates Noble's proof of delivery or provision of services, or raises specific issues precluding validation, within five business days of receipt of the delivery confirmation from the applicable freight forwarder or proof of services rendered. *Id.* at ¶ 13. Absent any specifically identified issues with Noble's delivery of goods or provision of services, the total elapsed time between the delivery of product or provision of services to the end customer and the DLA's acceptance of the goods receipt or proof of services rendered in their system is approximately seven days. *Id.* Under the DLA's own guidance referenced in the Defense Logistics Management Standards, the expectation is that the DLA will validate proof of goods receipts within five business days thereof.[9]

III. The Pre-Termination Delivery Orders

22. On August 14, 2026, the DLA sent Noble eight notices (collectively, the "Cure Notices")[10] threatening to terminate over $400 million of orders under the Contracts due to, among other things, Noble's "failure to secure and ship material" in connection therewith. *Id.* at ¶ 14. The DLA requested that Noble provide adequate assurance of future performance due to Noble's alleged defaults and deteriorating financial condition. *Id.*

23. On August 24, 2026, Noble responded to the Cure Notices explaining, among other things, that many of the orders the DLA cited in the Cure Notices were not yet delinquent, and some were in fact fully or partially fulfilled. *Id.* at ¶ 15.[11] Noble also responded to the DLA's demand for adequate assurance of future performance with respect to goods or services that had

[9] *See* Table C10.T1 of the DLA's Defense Logistics Management Standards available at: https://www.dla.mil/Portals/104/Documents/DLMS/Manuals/DLM/V2/Volume2.pdf.

[10] The Cure Notices are comprised of: (i) one show cause notice and one cure notice (depending on whether the goods were overdue) for the F&ESE Contract; and (ii) three show cause notices and three cure notices for the SOE Contract, including certain administrative contracts thereunder. True and correct copies of the Cure Notices are attached to the Albergotti Declaration as Exhibits B-1 – B-8.

[11] True and correct copies of Noble's responses to the Cure Notices are attached to the Albergotti Declaration as Exhibits C-1 – C-8.

not yet been delivered or provided. *Id.* Following Noble's responses to the Cure Notices, the Government continued to take deliveries and receive services in connection with the orders referenced in the Cure Notices. *Id.*

24. On August 27, 2026, after being advised that many of the orders cited in the Cure Notices had already been received and continuing to take additional deliveries and receive services for the next three days, the DLA sent Noble four Notices of Termination for Cause (collectively, the "Termination Notices"), pursuant to which the DLA purported to terminate the orders based on Noble's supposed failure to provide the DLA with adequate assurance of future performance and alleged defaults under the Contracts.[12] Albergotti Declaration, ¶ 16. Each of the Termination Notices provides:

> Delivery of material after the date of this notice will not be considered for Goods Receipt posting and Proof of Delivery's indicating delivery of material after the date of this notice will not be accepted or reviewed by DLA.
>
> Excepting the above: Delivery Orders with partial performance will have their outstanding balances terminated. Any receipted balance will remain receipted, and if an invoice has not been submitted to date, Noble must invoice for the outstanding amount that has been receipted. If Noble has already submitted an invoice for that receipted balance, no further action is needed.

Termination Notices at p.2 (emphasis supplied).

25. Despite the fact that the Termination Notices expressly excluded the Pre-Termination Delivery Orders from their purview, such orders were inexplicably included on the schedules attached to the Termination Notices. *See* Albergotti Declaration, ¶ 18.

26. Noble delivered certain goods to the contractually agreed-upon destinations or provided services to the appropriate party through the date of the DLA's purported termination on

[12] True and correct copies of the Termination Notices are attached to the Albergotti Declaration as Exhibits D-1 – D-4.

August 27, 2026, and the Government retained possession of such goods. *Id.* at ¶ 17. For each Pre-Termination Delivery Order of goods, either a representative of the Government signed a receiving report for such goods or Noble obtained proof of delivery from a shipper or freight forwarder. *Id.*

27. The Government has not raised any defects or nonconformities with respect to the goods and services associated with the Pre-Termination Delivery Orders as of the date hereof. *Id.*

28. As of the date hereof, the DLA has refused to validate the proof of delivery or provision of services rendered for $14,566,268.02 of Pre-Termination Delivery Orders, thereby preventing Noble from invoicing the DLA for such orders in the WAWF platform. *Id.*

29. Attached to the Albergotti Declaration as Exhibit E is a schedule (the "Schedule") identifying the (i) Contract number, (ii) invoice number, (iii) item delivered, (iv) quantity delivered, (v) date of delivery, and (vi) amount due and owing for each Pre-Termination Delivery Order. Albergotti Declaration, ¶ 19.[13]

30. The Debtors have forecasted that the DLA would settle invoices in the ordinary course of business for goods delivered and services provided as of (and after) the date the Termination Notices were received. *Id.* at ¶ 20. To that extent, the Debtors' liquidity forecast that underpins the Cash Collateral Order (and related budget) assumed that a material portion of the $14,566,268.02 in Pre-Termination Delivery Orders would be paid. *Id.* Absent an expedited resolution of this issue, the Debtors will exhaust their liquidity during the first week of November 2026. *Id.*

[13] Noble submits that the Schedule contains more than sufficient evidence demonstrating that Noble is entitled to payment on account of the Pre-Termination Delivery Orders. The Schedule was prepared using information obtained from Noble's NetSuite system and underlying voluminous documentation, which will be made available to the DLA for inspection upon request.

LEGAL STANDARD

31. Federal Rule 56, made applicable herein through Bankruptcy Rule 7056, provides that "[t]he court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56. "Thus, the court may grant summary judgment only if the moving party shows that there are no genuine issues of material fact that would permit a reasonable jury to find for the non-moving party." *In re Adams Golf, Inc., Sec. Litig.*, 618 F. Supp. 2d 343, 346–47 (D. Del. 2009).

32. With respect to the movant's burden in connection with a motion for summary judgment, the District Court has stated:

> On an issue as to which the moving party bears the burden of proof at trial, the party seeking summary judgment must "establish the absence of a genuine factual issue." If the motion does not persuasively establish that no factual issue exists, summary judgment should be denied "even if no opposing evidentiary matter is presented." Once the moving party with the burden of proof makes a showing that there is no genuine issue of material fact, that party is entitled to summary judgment "unless the non-moving party comes forward with probative evidence that would demonstrate the existence of a triable issue of fact."

Prolitec Inc. v. ScentAir Techs., LLC, 770 F. Supp. 3d 730, 737 (D. Del. 2025) (citations omitted).

33. With respect to the non-movant's burden:

> On an issue as to which the nonmoving party bears the burden of proof at trial, the party seeking summary judgment "bears the initial responsibility of informing the district court of the basis for its motion, and identifying those portions of 'the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any,' which it believes demonstrate the absence of a genuine issue of material fact." The moving party can alternatively make a showing that there is no genuine issue of material fact by pointing out to the district court that "there is an absence of evidence to support the nonmoving party's case." Once such a showing is made, the nonmoving party must "come forward with specific facts showing that there is a genuine issue for trial."

Id. (citations omitted).

ARGUMENT

34. By this Motion, Noble seeks entry of partial summary judgment against the DLA on Counts I (turnover) and II (breach of contract) of the Complaint, each solely with respect to the Pre-Termination Delivery Orders (*i.e.*, goods or services delivered or provided through and including the date of the August 27, 2026 termination notice). There are no genuine issues of material fact with respect to Noble's right to payment on account of the Pre-Termination Delivery Orders, whether premised on turnover under section 542 of the Bankruptcy Code or breach of contract. Accordingly, Noble is entitled to payment of the amounts due and owing on account of the Pre-Termination Delivery Orders as a matter of law.

I. Noble is Entitled to Partial Summary Judgment on its Claim for Turnover

A. Noble is entitled to turnover pursuant to section 542(b) of the Bankruptcy Code

35. Section 542(b) of the Bankruptcy Code provides, in relevant part, that "an entity that owes a debt that is property of the estate and that is matured . . . shall pay such debt to, or on the order of, the trustee, except to the extent that such debt may be offset under section 553 of this title against a claim against the debtor." 11 U.S.C. § 542(b). The DLA's failure to remit payment on account of the Pre-Termination Delivery Orders following Noble's delivery of the underlying goods or performance of services created a debt that constitutes property of Noble's estate and is matured. *See In re: Polished.com Inc.*, No. 24-10353 (TMH), 2026 WL 2547238, at *5 (Bankr. D. Del. Aug. 27, 2026) ("[T]urnover is available where 'all acts necessary to create the debt have occurred, such as delivery of goods or performance of services,' even if the defendant disputes that anything is ultimately owed."); *In re Kids World of Am., Inc.*, 349 B.R. 152, 164 (Bankr. W.D. Ky. 2006) ("The Plaintiff provided the services and expected monthly payments in return for those services. There is no future event or act that it needed to make this money due and owing; the

Plaintiff has provided its consideration. This case, therefore, presents a valid claim for turnover as contemplated under 11 U.S.C. § 542.").

36. Noble is entitled to turnover of the amounts due and owing on account of the Pre-Termination Delivery Orders because all acts necessary to create the DLA's debt to Noble have occurred in accordance with applicable law. The Contracts are governed by the Federal Acquisition Regulations ("FAR"), many of which are directly incorporated into the Contracts themselves.[14] Additionally, "[w]hile the Uniform Commercial Code ("UCC") does not apply directly to government contracts, the UCC 'provides useful guidance in applying general contract principles[.]'" *Pac. Gas & Elec. Co. v. U.S.*, 838 F.3d 1341, 1351 (Fed. Cir. 2016) (internal citation omitted).

37. As of the date hereof, Noble has not identified a case applying the FAR to a situation where the government refuses to pay a contractor for goods validly delivered or services provided and accepted based on a purported termination of the contract post-dating such delivery or provision and acceptance. Case law under the UCC, however, confirms that Noble has established its right to turnover of the amounts owed in connection with the Pre-Termination Delivery Orders.

38. The DLA's debt to Noble in connection with the Pre-Termination Delivery Orders arose upon delivery of the underlying goods (or services) to the agreed-upon destination and the Government's acceptance thereof. *See* F&ESE Contract, § 16(i) ("Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract); SOE Contract, § 17(i) (same); *see also* U.C.C. § 2-607(1) ("The buyer must pay at the contract rate for any goods accepted."). The Government affirmatively accepted delivery of

[14] The FAR is codified as 48 CFR §§ 1.000 – 53.300 *et seq.*

all goods for which a Government representative signed a receiving report and accepted all services that it received.

39. The Government implicitly accepted delivery of all goods for which it did not affirmatively sign a receiving report based on its failure to timely reject delivered goods or services. Under both the FAR and UCC, rejection of delivered goods prior to acceptance must be communicated promptly. *See* 48 C.F.R. § 46.407(g) ("Promptness in giving [rejection] notice is essential because, if timely nature of rejection is not furnished, acceptance may in certain cases be implied as a matter of law."); *see also Hellendall Distributors, Inc. v. S.B. Thomas, Inc.*, 559 F. Supp. 573, 574 (E.D. Pa. 1983), *aff'd sub nom. Appeal of Hellendall Distributors, Inc.*, 755 F.2d 920 (3d Cir. 1985) ("It is undisputed that the plaintiff has taken delivery of goods and has not rejected them. The plaintiff has, therefore, 'accepted' the goods.").

40. As explained in the Albergotti Declaration, the Government typically validates proof of delivery or provision of services, or raises specific issues with respect to same, within *one* week of receipt of the goods or services. *See* Albergotti Declaration, ¶ 13. Here, the goods and services underlying the Pre-Termination Delivery Orders were delivered or provided at least *five* weeks prior to the date hereof without any nonconformity or defect having been raised by the Government. Accordingly, the Government would be deemed to have accepted the goods and services had it not affirmatively accepted them.

41. For similar reasons, the Government has also not timely raised any post-acceptance rights under the FAR to raise nonconformities or defects. *See* 48 C.F.R. § 52.212-4(a) ("The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. . . . The Government must exercise its postacceptance rights (1) *within a reasonable time after the defect was discovered or should have*

been discovered; and (2) before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.") (emphasis supplied). The DLA's debt to Noble on account of the Pre-Termination Delivery Orders is therefore due and owing under the Contracts, and thus constitutes property of Noble's estate for purposes of Section 542(b). *See*, *e.g.*, *In re MF Glob., Inc.*, 531 B.R. 424, 437–38 (Bankr. S.D.N.Y. 2015) (finding debt owing to debtor pursuant to contract constituted property of estate for purpose of Section 542(b) where trustee established that contracting party was "unconditionally liable" under contract's terms).

42. There is no *bona fide* dispute of material fact that could defeat Noble's claim for turnover. *See In re IPC Int'l Corp.*, No. 13-12050, 2014 WL 5544692, at *3 (Bankr. D. Del. Nov. 3, 2014) (a bona fide dispute sufficient to defeat debtor's claim to recover a debt under section 542(b) "exists "[i]f there is a genuine issue of a material fact that bears upon the debtor's liability, or a meritorious contention as to the application of law to undisputed facts"). The Termination Notices expressly limit termination to orders for goods and services that are received or rendered after the date of the notices (*i.e.*, on or after August 28, 2026) and expressly authorize Noble to "invoice for the outstanding amount that has been receipted." Notwithstanding the plain language of the Termination Notices, the DLA has refused to validate proof of delivery of the Pre-Termination Delivery Orders, and has refused to pay for both goods delivered and services rendered through August 27, 2026 under the Contracts.

43. The DLA's decision not to include previously delivered goods or services within the purview of the Termination Notices makes sense because any such attempt to include goods or services already received would have been ineffective as a matter of law. *See* 48 C.F.R. § 52.212-4(m) ("In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services *not accepted*, and the Contractor shall be liable

to the Government for any and all rights and remedies provided by law.") (emphasis supplied); *see also* U.C.C. § 2-106(3) ("On 'termination' all obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives."). Accordingly, there is no material dispute that the DLA's debt to Noble on account of the Pre-Termination Delivery Orders is property of Noble's estate.

44. The DLA's debt to Noble in connection with the Pre-Termination Delivery Orders is also "matured." A "[m]atured debt refers to debts that are presently payable, as opposed to those that are contingent and become payable only upon the occurrence of a certain act or event." *See In re MF Glob., Inc.*, 531 B.R. at 438 (finding alleged debt arising out of contract to be mature where trustee established that contracting party was "unconditionally obligated to pay" under contract's terms). Furthermore, "[i]n order for a claim to be considered a matured debt, it must be specific in its terms as to amount due and date payable." *In re MF Glob., Inc.*, 531 B.R. at 438 (citation and quotation omitted).

45. Here, the terms of the Contracts are clear: Noble has a right to payment from the DLA for goods delivered to the agreed-upon destination (and services provided to the appropriate party) and accepted by the Government. The evidence amply demonstrates that the goods or services underlying the Pre-Termination Delivery Orders were delivered or provided to the appropriate destination or party and accepted. Accordingly, the terms of the DLA's debt to Noble on account of the Pre-Termination Delivery Orders are sufficiently specific to constitute a "matured" debt under Section 542(b). *See Borock v. Turner Constr. Co. (In re Sardo Corp.)*, No. 91 B 09826, Adv. No. 95 A 01620, 1996 WL 362756 at *15 (Bankr. N.D. Ill. June 11, 1996) (stating that "[w]hether a claim for an overdue amount can be described as matured debt depends on whether it is specific in its terms as to amount due and date payable," and noting that "[i]f a

debtor's claim lacks such certainty an action for turnover may be inappropriate") (quotation omitted); *see also In re MF Glob., Inc.*, 531 B.R. at 438 (finding debt to be matured where amounts due and date payable were determinable under contract's terms).

46. Because there is no genuine dispute of material fact regarding the nature and maturity of the DLA's debt to Noble in connection with the Pre-Termination Delivery Orders, and because, as established below, the DLA is not entitled to set off such debt under section 553, Noble is entitled to summary judgment on its claim for turnover under section 542(b) of the Bankruptcy Code.

B. The DLA is not Entitled to Set Off Against the Pre-Termination Delivery Orders

47. Section 542(b) of the Bankruptcy Code requires payment of a matured debt that constitutes property of the estate "except to the extent that such debt may be offset under section 553 of this title against a claim against the debtor." 11 U.S.C. § 542(b). The DLA has not established any right of setoff that could defeat Noble's turnover claim. *See In re Bennett Funding Grp., Inc.*, 212 B.R. 206, 212 (B.A.P. 2d Cir. 1997), *aff'd*, 146 F.3d 136 (2d Cir. 1998) ("A creditor bears the burden of proving a right of setoff[.]").

48. This is apparent from the Court's September 18, 2026 Order enforcing the automatic stay against the DLA.[15] In that Order, the Court compelled the DLA to remit payment to Noble in the amount of $6,434,434.37, which comprised the $6,972,618 the DLA owed to the Debtors on account of invoices that were fully processed in the WAWF system but improperly blocked from payment, less the DLA's undisputed setoff rights in the amount of $538,183.63.[16] The Court prohibited the DLA from exercising any additional right to setoff without first seeking

[15] D.I. 151.

[16] *Id.* at ¶ 7.

relief from the automatic stay.[17] To date the DLA has not filed such a motion or obtained a stay of the Order.

49. Accordingly, the DLA does not have any valid right to setoff that could potentially defeat Noble's claim for turnover of the amounts due and owing in connection with the Pre-Termination Delivery Orders.

C. Noble is Also Entitled to Turnover Pursuant to Section 542(a) of the Bankruptcy Code

50. Noble is also separately entitled to turnover of the value of the Pre-Termination Delivery Orders under section 542(a). That section of the Code provides, "an entity, other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease under section 363 of this title, or that the debtor may exempt under section 522 of this title, shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate." 11 U.S.C. § 542(a). The party seeking turnover under section 542(a) must establish that the property in question: (1) is in the possession, custody, or control of another entity; (2) can be used in accordance with the provisions of section 363; and (3) has more than inconsequential value to the debtor's estate. *See In re Abeinsa Holding, Inc.*, 645 B.R. 680, 690 (Bankr. D. Del. 2022).

51. Here, all three elements are satisfied by virtue of the DLA's withholding of payment on account of the Pre-Termination Delivery Orders following Noble's delivery of the underlying goods and provision of services, and the Government's acceptance thereof. *In re Pali Holdings, Inc.*, 488 B.R. 841, 851 (Bankr. S.D.N.Y. 2013) ("A turnover action's essence is in bringing the estate's property into its custody—or in the promissory note and accounts receivable

[17] *Id.* at ¶ 9.

collection actions for which turnover also may be invoked as a statutory matter, in converting a note or account receivable that already is property of the estate into cash."). The $14,566,268.02 owed to Noble on account of the Pre-Termination Delivery Orders is in the DLA's possession. Accordingly, the first element of turnover under section 542(a) is satisfied.

52. The second element is also satisfied because Noble could use the amounts due to fund the operation of its business and the administration of these chapter 11 cases in accordance with section 363 of the Bankruptcy Code. *In re Brizinova*, 592 B.R. 442, 461 (Bankr. E.D.N.Y. 2018) (holding that the second element of section 542(a) is adequately pleaded "where the plaintiff seeks the turnover of property of the estate that can be put to use in connection with the administration of the estate, including paying the claims of creditors and the costs of administration of the estate").

53. The third element is also satisfied, as the amounts due and owing on account of the Pre-Termination Delivery Orders are of significant value to Noble's estate. Noble is dependent on receiving timely payment from its customers—the largest of which is the DLA—in order to maintain sufficient liquidity to operate in chapter 11. Absent prompt payment of the amounts sought herein, the Debtors will exhaust their liquidity during the first week of November 2026. *See* Albergotti Declaration, ¶ 20. It is therefore imperative that Noble recover the amounts due and owing on account of the Pre-Termination Delivery Orders, as such funds are vital to Noble's ability to complete the sale process and confirm a plan in these cases.

54. Accordingly, Noble is alternatively entitled to turnover of the value of the Pre-Termination Delivery Orders under section 542(a) as a matter of law to the extent relief is unavailable under section 542(b).

II. Noble is Entitled to Partial Summary Judgment on its Breach of Contract Claim

55. A party is entitled to summary judgment on a breach of contract claim when there is no genuine dispute of material fact as to the following: (1) a contractual obligation between two parties; (2) breach of that obligation; and (3) resulting damages. *See Greenstar, LLC v. Heller*, 814 F. Supp. 2d 444, 450 (D. Del. 2011); *Blue Valley, LLC v. Klein*, No. N20C-03-300 SKR CCLD, 2023 WL 4883619, at *5 (Del. Super. July 31, 2023) (granting summary judgment on breach of contract claim because it was indisputable that the defendants breached the contract). Here, each element is established by the undisputed factual record, and Noble's is entitled to judgment on its breach of contract claim against the DLA as a matter of law.

56. *First*, the Contracts are valid and enforceable. Noble and the DLA operated under the Contracts for years prior to the instant dispute, and Noble has provided hundreds of millions of dollars' worth of goods and services in connection therewith. Moreover, as explain in Section I, *infra*, the DLA's purported termination of orders under the Contracts was ineffective as to the Pre-Termination Delivery Orders, both on the face of the Termination Notices themselves, and under applicable law (both the FAR and UCC).

57. *Second*, Noble fully performed its obligations under the Contracts with respect to the Pre-Termination Delivery Orders. As reflected in the Albergotti Declaration and the Schedule attached thereto as Exhibit E, Noble delivered the goods associated with each Pre-Termination Delivery Order to the contractually specified destination (or provided the services to the appropriate party), and those goods and services were accepted by Government for the reasons discussed in Section I, *infra*. As of the date hereof, the Government has taken no steps post-acceptance to raise any defects or nonconformities with respect to the goods and services underlying the Pre-Termination Delivery Orders and has retained the value thereof without remitting payment to Noble.

58. *Third*, the DLA breached the Contracts by refusing to validate Noble's proof of delivery for the goods and services associated with the Pre-Termination Delivery Orders. As a result, Noble is unable to invoice the DLA for orders Noble fulfilled in accordance with the Contracts. As explained above, Noble has satisfied all of the contractual requirements necessary to establish a right to payment in connection with the Pre-Termination Delivery Orders. The DLA's withholding of payment in connection therewith constitutes a clear breach of its payment obligations under the Contracts.

59. *Fourth*, Noble has suffered damages as a direct result of the DLA's breach in the amount of $14,566,268.02 (*i.e.*, the total amount due and owing under the Pre-Termination Delivery Orders. The Schedule attached to the Albergotti Declaration identifies the amounts due and owing for each Pre-Termination Delivery Order, and there are no facts in the record by which the DLA can dispute such amounts are due and owing.

60. Accordingly, Noble is entitled to summary judgment on Count II of the Complaint as to the Pre-Termination Delivery Orders and resulting damages in the amount of $14,566,268.02.

CONCLUSION

For the reasons discussed above, Noble is entitled to partial summary judgment with respect to Counts I and II of the Complaint, solely with respect to the Pre-Termination Delivery Orders. A proposed form of order granting Noble's request for partial summary judgment on these Counts, which Noble requests be entered, is attached as **Exhibit A** to the Motion.

Dated: October 6, 2026
Wilmington, Delaware

/s/ G. David Dean

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