IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
Noble Supply & Logistics, LLC, *et al*.,	)	Case No. 26-11369 (CTG)
	)	
	)	Chapter 11
Debtors.[1]	)	(Jointly Administered)
	)	
	)	

UNITED STATES' MOTION FOR ENTRY OF AN ORDER (I) GRANTING ADEQUATE PROTECTION UNDER SECTIONS 361, 363(e), and 553 OF THE BANKRUPTCY CODE AND (II) GRANTING RELATED RELIEF

The United States of America, on behalf of its agencies, departments, and instrumentalities (each, a "Federal Agency"), including the Department of Defense's ("DOD") Defense Logistics Agency ("DLA"), pursuant to 11 U.S.C. §§ 361, 363(e), and 553, hereby moves for adequate protection of its setoff rights and respectfully avers the following:

PRELIMINARY STATEMENT

1. At the previous hearing on the Debtors' motion to compel, the Court found that the United States improperly froze approximately $7 million in violation of the automatic stay but also recognized that the Government has setoff rights entitled to adequate protection. The United States immediately complied with the Court's order and payments on verified and properly invoiced amounts have continued to flow to the Debtors notwithstanding their inaccurate representations to the Court that they owed no more than $8 million to the United States. The Court also generously offered to conduct an estimation hearing for the limited

[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) ("Noble"); 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).

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purpose of determining amounts subject to setoff for the benefit of the United States if it were to seek relief from the automatic stay prior to effectuating a setoff. Such a hearing is not necessary, however, because the United States is not seeking to offset any amounts at this time.

2. Rather, by this Motion, the United States seeks distinct relief under 11 U.S.C. §§ 363(e) and 507(b) that would direct some short-term funding to the estates to allow the Debtors to consummate a sale of their assets, as endorsed by the Court at the hearing, without prejudicing the Government's interests. As proposed to the Debtors before they filed their motion to compel, the United States simply seeks adequate protection of its setoff rights as it continues to pay invoices in the ordinary course that could otherwise be used to offset against the debts owed by the Debtors to the Government. The United States believes that granting such protection can avoid unnecessary and costly claims estimation litigation while the Debtors continue to receive monies from the Government.

3. As detailed below, the United States maintains an interest in any payments for prepetition goods or services provided by the Debtors to the extent the Debtors owe mutual prepetition debts to the United States. The Debtors concede they are under multiple civil and criminal investigations, which amount to hundreds of millions of dollars in liabilities owed to the United States. Therefore, the United States is entitled to adequate protection of its setoff rights, as it has already released and continues to pay the Debtors for prepetition goods and services. Given the Debtors' currently liquidity crisis, the United States requests adequate protection in the form of a super-priority administrative claim equal to the payments made by the United States to the Debtors that meet the requirements of section 553 of the Bankruptcy Code.

4. The Court should also order that any sale proceeds be placed into a reserve until the United States' setoff rights can be liquidated. Given the posture and speed at which this case

is moving, including the recently filed adversary proceeding and the accompanying motion for partial summary judgment, the United States firmly believes that a reserve of any sale proceeds is necessary and just, particularly given the Debtors' civil and criminal misconduct. Failure to provide adequate protection otherwise subjects the United States to the risk that its continued release of monies for prepetition orders to the Debtors make them no longer available for the United States to offset. This risk amounts to irreparable harm to the Government and its taxpayers, which the United States should not be forced to bear.

JURISDICTION AND VENUE

5. The Court has jurisdiction over this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2), and venue is proper under 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested include 11 U.S.C. §§ 361, 363(e), and 553, Rules 4001(b) and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 4001-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"). Under Local Rule 9013-1(f), the United States consents to the entry of a final order or judgment by the Court on this Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

BACKGROUND

6. On August 30, 2026 (the "Petition Date"), the above-referenced debtors ("Debtors") filed voluntary petitions commencing these cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code" or "Code"). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

7. The Debtors entered bankruptcy with the intention to sell all or substantially all of their assets. *See generally* Bid Procedures Motion, Order, and Notice, Dkt. Nos. 91, 92, 219, 252. A sale hearing is currently scheduled to take place on November 16, 2026. *See* Dkt. No. 251.

8. Before the Petition Date, certain Debtors entered into multiple indefinite-delivery, indefinite-quantity ("IDIQ") contracts with the DLA. Those contracts were not all in the same contractual posture as of the Petition Date. Certain IDIQ ordering periods had ended, certain contracts or orders had been terminated before the Petition Date, and obligations under certain outstanding delivery orders remain in effect.

9. Among those agreements are four principal IDIQ contracts with Debtor Noble Supply & Logistics, LLC ("Noble") that are relevant to this Motion: the FSG-53 Contract, the Fire and Emergency Services Equipment ("FESE") Contract, the Maintenance, Repair, and Operation ("MRO") Contracts, and the Special Operations Equipment ("SOE") Contract (collectively, the "DLA Contracts"). The Debtors continue to rely on payment of invoices under these DLA Contracts to fund their chapter 11 cases.

10. As of the Petition Date, certain of the Debtors were subject to multiple federal criminal and civil investigations across at least two states. *See* First Day Declaration of Robert Albergotti Dkt. No. 15, ¶21. The Debtors concede that these investigations remain ongoing and that, prior to the Petition Date, they requested to resolve such matters on an ability-to-pay basis. *Id*. The Debtors did not, however, reveal the magnitude of the potential damages and claims owed to the United States arising from those investigations. *See id*.

11. On September 11, 2026, the Debtors filed an emergency motion to compel DLA to perform under the DLA Contracts by paying amounts that had been administratively frozen to pay debts owed by Noble to the United States. The Court heard oral argument on September 16,

at which time the Debtors' counsel represented to the Court that the United States had only two claims against Noble: a claim for over $7.9 million for disincentive fees under the FSG-53 Contract ("Disincentive Fee"), which are monetary adjustments applied to a contractor's profit or fee based on various failures in performance, [2] and a claim related to a previously executed False Claims Act, 31 U.S.C. §§ 3729–3733 ("FCA") settlement between the United States, on behalf of the Department of the Air Force, and Noble (the "Air Force FCA Settlement").[3] *See* Exhibit C Declaration of Alastair Gesmundo, Attachment 1, Dkt. No. 154, September 16, 2026 Hearing Transcript (the "Transcript") at 60:18-24.

12. Following a status hearing on September 18, 2026, the court enter an order that, among other things, directed DLA to "remit payment to the Debtors in the ordinary course of business pursuant to applicable federal law and regulations . . . ." Dkt. No. 151, ¶8. The Court reasoned that the United States' setoff rights were not prejudiced based on the amount of the Disincentive Fee and the Air Force FCA Settlement. *Id.* at ¶4.

13. The Court also directed that the United States could obtain relief from the Court before exercising any setoff or replacement rights in the event the United States believed it was not adequately protected by future payables that may be owed to the Debtors. Dkt. No. 151, ¶ 9.

14. The Debtors only recently filed, on September 28, their bankruptcy schedules and statements of financial affairs *See* Dkt. Nos. 222-243. The Debtors included 65 pages of executory contracts and 580 pages of claims against Noble. *See* Dkt. No. 222.

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[2] *See* Dkt. No. 124, ¶¶4-7, the United States' Objection to the Debtors' Motion to Compel.

[3] *See* Dkt. No. 125, Declaration of Sean Cunniff in support of the United States' Objection. Assistant United States Attorney Cunniff of the District of New Mexico executed the Air Force FCA Settlement. The Court subtracted $538,183.63 Air Force FCA Settlement amount from the amount it ordered DLA to pay to the Debtors. *See* Dkt. No. 151, ¶¶ 6-7.

15. On September 29, the Debtors filed their Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Sale of Substantially All Assets ("Cure Notice"). Dkt. No. 252. The Cure Notice purports to include over a hundred Federal Agency contracts with a zero-cure amount. The United States objected to the Cure Notice on October 9, as the Debtors are not permitted to set cure amounts or assume any Federal Agency contract without the Government's explicit written consent, which it does not give. Dkt. No. 297.

16. Earlier this month, the United States obtained partial lifts of the seal in two *qui tam* actions pending against Noble in the United States District Courts for the Districts of New Mexico and Massachusetts (the "FCA Actions"). *See* Ex. B, Declaration of Samson Asiyanbi, ¶ 2. Until these seals were partially lifted, the United States was prevented from correcting the Debtors' representations to the Court at the hearing on their motion to compel that there are "just two claims that [the United States has] alleged against us." *See* Transcript at 60:18-24.

17. The Debtors have known about investigations in furtherance of the FCA Actions since at least 2021. *See* Asiyanbi Decl., ¶ 4. The Debtors acknowledged in their first day declaration receipt of Civil Investigative Demands ("CIDs"). Dkt. No. 15, ¶ 21. Absent from the first day declaration, however, were any references to the 32 productions of over one million documents or the several meetings and presentations between Noble and the Department of Justice ("DOJ") about prospective claims, violations, and associated liabilities. *See* Asiyanbi Decl., ¶¶ 5-6. Following a presentation from the DOJ in July 2024 about conduct related to the FCA Actions, Noble applied for an ability to pay settlement. *Id*. at ¶¶ 6-8 The damages and penalties owed by Noble to the United States under these FCA Actions are no less than $266 million. *Id*. at ¶¶ 9-12.

18. Noble was actively engaged and in communication with the DOJ regarding the FCA Actions and other investigations prior to the Petition Date. The Debtors admit that they negotiated a Deferred Prosecution Agreement with the DOJ pending finalization of its ability to pay the criminal fines and restitution associated with the Deferred Prosecution Agreement. Dkt. No. 15, ¶ 21.

19. On October 6, 2026, the Debtors commenced an adversary proceeding against DLA, seeking turnover of disputed amounts for goods and services allegedly delivered under the DLA Contracts. *See* Adv. Case No. 26-50885 (the "Adversary Proceeding").

20. The Debtors also filed a motion for partial summary judgment in the Adversary Proceeding and sought expedited briefing. Adv. Dkt. Nos. 3, 4, 6. The Court granted the Debtors' request for expedited briefing over the United States' objections. *See* Adv. Dkt. No. 8, the United States' Opposition; Adv. Dkt. No. 15, Order granting expedited schedule.

RELIEF REQUESTED

21. The United States is entitled to adequate protection to the extent the Debtors continue to receive payments from DLA and use such funds that the United States could otherwise use to offset the hundreds of millions of dollars owed by Noble to the United States pursuant to the FCA Actions and other federal investigations. Accordingly, the United States requests that it be granted adequate protection pursuant to 11 U.S.C. §§ 361, 363(e), and 553 in the form of (i) a super-priority administrative claim under 507(b) in an amount equal to any payments by DLA to Noble that meet the requirements of section 553 of the Code and (ii) that any sale proceeds be placed into a reserve until the amount of the United States' super-priority claim can be liquidated.

ARGUMENT

22. The Bankruptcy Code guarantees adequate protection for a party with an interest in property that a debtor uses during its bankruptcy proceeding. 11 U.S.C. § 361. Although the Bankruptcy Code does not define adequate protection, section 361 of the Code provides three nonexclusive types of protection to safeguard the party's interest: (i) periodic cash payments to the extent of any decrease in collateral value; (ii) an additional or replacement lien to the extent of any decrease in collateral value; or (iii) any other relief that will result in a secured lender's receiving the "indubitable equivalent" of its interest in the collateral.

23. Adequate protection of an interest in property is mandatory. *See United States v. Whiting Pools, Inc.*, 462 U.S. 198, 204 (1983) ("At the secured creditor's insistence, the bankruptcy court must place such limits or conditions on the trustee's power to sell, use, or lease property as are necessary to protect the creditor."); *see also In re Kellstrom Indus., Inc.*, 282 B.R. 787, 794 (Bankr. D. Del. 2002) (concluding that adequate protection was required where inventory property was to be sold); and *In re Metromedia Fiber Network, Inc.*, 290 B.R. 487, 491 (Bankr. S.D.N.Y. 2003) ("[s]ection 363(e) is not permissive or discretionary—it states that the court 'shall' grant the relief specified, at any time, on request of the secured entity"). Moreover, adequate protection may be sought under section 363(e) without filing a lift-stay motion. *See e.g. Matter of Cont'l Airlines, Inc.,* 154 B.R. 176, 180 (Bankr. D. Del. 1993) ("The Code provides for adequate protection as alternative relief to the lifting of the stay pursuant to § 362(d)."). The debtor bears the initial burden of proof as to the issue of adequate protection. *In re AMR Corp*., 490 B.R. 470, 477 (S.D.N.Y. 2013) (citing 11 U.S.C. § 363(p), "the [debtor] has the burden of proof on the issue of adequate protection; and the entity asserting an interest in property has the burden of proof on the issue of validity, priority, or extent of such interest.").

A. The United States is Entitled to Adequate Protection from the Debtors Based on Its Setoff Rights.

24. Setoff is a defense by which one party can reduce a debt owed to another. *See generally Folger Adam Sec., Inc. v. DeMatteis/MacGregor JV*, 209 F.3d 252 (3d Cir. 2000). The Code treats an allowed claim of a creditor that is subject to setoff as a secured claim in the amount subject to setoff. 11 U.S.C. § 506(a); *In re Commc'n Dynamics, Inc.*, 382 B.R. 219, 228 (Bankr. D. Del. 2008) (*quoting Lee v. Schweiker*, 739 F.2d 870, 875 (3d Cir.1984)("Setoff, in effect, elevates an unsecured claim to secured status, to the extent that the debtor has a mutual, pre-petition claim against the creditor. *See* 11 U.S.C. § 506(a)."). "[C]reditors having a valid right of setoff" are given "the highest priority under the Bankruptcy Code" pursuant § 506(a), *In re Nuclear Imaging Sys., Inc.*, 260 B.R. 724, 729–30 (Bankr. E.D. Pa. 2000), and setoff rights are treated the same as rights arising from a security agreement or other relevant security device. "Indeed, a right of setoff has been described as 'security of the most perfect kind.'" *In re Am. Remanufacturers, Inc.*, No. 05-20022 PJW, 2008 WL 2909871, at *2 (Bankr. D. Del. July 25, 2008) (citing 5 Collier on Bankruptcy ¶ 553.02 (Alan N. Resnick & Henry J. Sommers eds. 15th ed. rev.2008).

25. Here, the United States' setoff rights are entitled to secured treatment. In its objection to the Debtors' motion to compel, the United States identified its setoff rights, as preserved by section 553(a) of the Code, citing to *United States v. Munsey Tr. Co.*, 332 U.S. 234, 239 (1947). *See also Amoco Prod. Co. v. Fry*, 118 F.3d 812, 817 (D.C. Cir. 1997) ("[T]he federal government has long possessed the right of offset at common law."). Dkt. No. 124, ¶33. The United States also explained that for purposes of mutuality, the federal government is a unitary creditor, citing *HAL, Inc. v. United States* (*In re HAL, Inc.*), 122 F.3d 851, 854 (9th Cir. 1997); *In re SemCrude, L.P.*, 399 B.R. 388, 399 n.10 (Bankr. D. Del. 2009). *Id*. The Court already

correctly recognized that the United States holds a common law right of setoff and is entitled to adequate protection to the extent DLA's payments to the Debtors exceed amounts owed to the United States. *See* Dkt. No. 151, ¶¶ 6-8.

26. The Debtors informed the Court they are attempting to finalize settlements of the FCA Actions and other investigations, which will lead to fixed, prepetition debts owed to the United States. *See* Dkt. No. 15, ¶ 21. In other words, by their own admissions, they know Noble will owe more to the United States than just the Disincentive Fee.[4] These civil and criminal liabilities, which arose prior to the Petition Date, could be offset against DLA's payments for goods and services ordered prepetition. The United States is, therefore, entitled to adequate protection of its setoff rights in the liquidated payables being used by the Debtors to fund their cases. *See* 11 U.S.C. §§ 363(e); 506(a).

B. The United States Is Not Adequately Protected While Continuing to Fund the Debtors' Cases

27. The Debtors have not shown how the United States is adequately protected while they continue to accept payment for orders placed prepetition invoices. At the hearing on their motion to compel, the Debtors relied on contingent and disputed claims to convince the Court that the United States was adequately protected.

28. First, the Debtors relied on its "Contract Disputes Act Certified Claim Submitted Under Contract [FSG-53]," dated on the Petition Date, which seeks nearly $80 million from DLA under the FSG-53 Contract for, among other allegations, breach of contract and incorrect calculation of the Disincentive Fee (the "Disputed Claim."). Transcript at 22:20-23:1. The Debtors asked the Court to "find that our . . . eighty-million-dollar claim is at least $7.9 million

[4] The Court authorized the United States to offset the FCA Air Force Settlement against amounts owed by DLA to Noble. *See* Dkt. No. 15, ¶7.

and it becomes a wash." *Id.* at 66:5-7. But when the Court observed that "there's a dispute about the rest and that you may or may not get it," the Debtors' counsel answered, "Correct." *Id.* at 67:15-17. The Court then set the Disputed Claim aside: "Let's assume that I'm not crediting any of the $80 million." *Id.* at 73:5-6.

29. The Disputed Claim remains unresolved. The Contract Disputes Act sends it first to the contracting officer "for a decision." 41 U.S.C. § 7103(a)(1). For a certified claim over $100,000, the contracting officer has 60 days after receipt to issue a decision or announce when a decision will be issued. *Id.* § 7103(f)(2). If the contracting officer denies the claim or does not timely issue a decision, Noble has 90 days to appeal to the Armed Services Board of Contract Appeals or twelve months to sue in the Court of Federal Claims, and either decision may be appealed to the Federal Circuit. *Id.* §§ 7103(f)(5), 7104(a)-(b), 7107(a)(1); 28 U.S.C. § 1295(a)(3). Until the Debtors go through that process, it remains to be determined what, if anything, DLA owes on the Disputed Claim.

30. Second, Debtors claim that "the debtors' books and records reflect over $32 million owed by the DLA to the debtors in total, and $26 million of that thirty-two is contained and included in the debtors' thirteen-week interim budget." Transcript at 6:11-16. The Debtors' witness testified that although he was not aware of "any substantive dispute" as to the payment of the invoices that were subject of the motion to compel, he did concede the existence of what he called "a price-and-quantity dispute and maybe a little-d dispute, […] a reconciliation process that needs to take place that may delay the timing of the payments." Transcript at 52:4-22; 53:12-23. Three weeks later, Noble sued DLA for $18,960,176.31 and said it "is unable to invoice the DLA" because DLA has not validated proof of delivery. Adv. Dkt. No. 1, ¶ 38; Adv. Dkt. No. 4, ¶ 58. Those payables are disputed.

31. The payables that are the subject of the Adversary Proceeding are also contingent. As detailed in the United States' motion for relief from stay filed contemporaneously herewith, when DLA issues a delivery order, it obligates funds for that order in the amount of the order's price. *See* Dkt. No. 325; ¶4. DLA pays only "for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract." 48 C.F.R. § 52.212-4(i)(1). Noble agrees that the contracting officer must first validate its proof of delivery, "which authorizes Noble to invoice the order." Adv. Dkt. No. 5, ¶ 12. The Debtors are aware of these multiple steps, including "a reconciliation process that goes through while [the Debtors are] confirming with the relevant counterparties and DLA, that they have everything [DLA] needs for [the Debtors] to upload the invoice into the wide area work flow." Transcript at 47:20-24. Therefore, until the Debtors' invoices go through the appropriate administrative channels and are approved for payment, certain amounts owed by DLA remain contingent and disputed.

32. Moreover, although the United States was able to file an objection on the morning of the emergency hearing, only two business days after receiving notice of the hearing, it was unable to present additional evidence when the Debtors' motion to compel shifted into an evidentiary hearing on adequate protection. Knowing that the FCA Actions were still under seal, the United States could not correct the Debtors' representation that Noble would owe no more than the $7.9 million to the United States for the Disincentive Fee after the Disputed Claim is resolved.

33. In reality, though, the United States' claims against Noble far exceed what the Debtors may be entitled to under the DLA Contracts. *See* Asiyanbi Decl., ¶¶ 10-12. The Debtors could have—and should have confirmed—to the Court that the United States had asserted over $266 million of liabilities in civil damages, penalties, criminal fines and restitution against

Noble. The Debtors knew of the investigations, Dkt. No. 15, ¶21, yet they presented their case as if DLA must pay immediately once Noble alleges it has delivered goods or supplies. This is not how the invoicing process or Contracts Disputes Act works. All the while, the Debtors and their prepetition lenders are receiving the direct benefit of the DLA payments subject to setoff, including through weekly sweeps under the interim cash collateral orders (Dkt. Nos. 73, 218), as the United States bears the full risk of funding these cases without adequate protection.

34. Again, because the United States is not actually seeking to effectuate a setoff on account of its right to do so with court authorization, the Court is not required to estimate or otherwise liquidate either side's claims at this time. The United States simply requests that it not be forced to fund the Debtors' cases without some form of adequate protection for its setoff rights.

C. The Debtors are Required to Ensure that the United States Receives the Value of its Prebankruptcy Rights

35. The Third Circuit in *In re Swedeland Development Group, Inc.*, 16 F.3d 552 (3d Cir. 1994) dealt with the adequate protection of an existing lienholder from a priming lien, and provides an instructive framework for analyzing the sufficiency of adequate protection. There, the Third Circuit viewed adequate protection as what ensures that the creditor will receive the value of its prebankruptcy rights. *See Swedeland*, 16 F.3d at 564 (framing the inquiry into one about the existing lienholder's prebankruptcy bargained for rights). Thus, this Court must determine what protection would result in the United States receiving the value of its present and future setoff rights.

36. Section 507(b) of the Code allows this Court to grant a creditor a super-priority claim ahead of all other unsecured claims (including all administrative expenses) if other forms of adequate protection fail to safeguard a secured creditor's collateral. *See In re Carpet Ctr.*

Leasing Co., Inc., 4 F.3d 940, 941 (11th Cir. 1993) ("Section 507(b) thus implies that an administrative expense claim under § 503(b) will be allowed where adequate protection payments prove insufficient to compensate a secured creditor for the diminution in the value of its collateral."). Section 507(b) indeed is "an attempt to codify 'a statutory fail-safe system in recognition of the ultimate reality that protection previously determined the "indubitable equivalent" ... may later prove inadequate.'" *Id*. (citing *In re Becker,* 51 B.R. 975, 979 (Bankr.D.Minn.1985) and *In re Marine Optical, Inc.,* 10 B.R. 893, 894 (Bankr.D.Mass.1981)).

37. Here, the Debtors appear to have no unencumbered assets and what assets they do have, they intend to sell next month. *See* First Day Declaration, Dkt. No. 15, ¶21. Without the prospect of continuing their business as a going concern with receivables, the Debtors are unlikely to be able to provide the typical adequate protection of periodic payments or replacement liens. As a result, a super-priority administrative claim remains the most viable form of adequate protection.

38. Accordingly, the Court should grant the United States a super-priority administrative claim equal to an amount of any DLA payments subject to offset by the United States. Given the break-neck speed at which this case is proceeding, the Court should also place in reserve any sale proceeds until amount of the United States' super-priority claim is determined by the Court.

CONCLUSION

39. The United States regularly enters into stipulations for adequate protection with chapter 11 debtors and repeatedly requested the Debtors do so here before the September 16 hearing. The United States remains open to working with the Debtors to craft such a stipulation under the circumstances that allows the Debtors in these cases to pursue their sale process, while

guaranteeing that the United States receives the value of its prebankruptcy rights, including its setoff rights, from the estates.

WHEREFORE, the United States respectfully requests that the Court grant this Motion and enter the proposed order granting adequate protection, attached as Exhibit A, and grant such other and further relief as the Court deems just and proper.

Dated: October 13, 2026

Respectfully submitted,

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Attorneys for the United States

Exhibit A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
Noble Supply & Logistics, LLC, *et al*.,	)	Case No. 26-11369 (CTG)
	)	
	)	Chapter 11
Debtors.[1]	)	(Jointly Administered)
	)	
_____	)	Related Docket No. __

ORDER GRANTING THE UNITED STATES' MOTION FOR ADEQUATE PROTECTION UNDER SECTIONS 361, 363(e), and 553 OF THE BANKRUPTCY CODE

Upon the motion of the United States [Docket No. __], on behalf of its agencies, departments, and instrumentalities, including the Defense Logistics Agency ("DLA"), for entry of an order pursuant to sections 361, 363(e), and 553, of title 11 of the United States Code (the "Bankruptcy Code") (the "Motion")[2]; and the Court having jurisdiction over the Motion under 28 U.S.C. §§ 157 and 1334; and the Motion being a core proceeding under 28 U.S.C. § 157(b)(2); and venue being proper under 28 U.S.C. §§ 1408 and 1409; and the Court having considered the Motion, the declarations filed in support of it, and any responses thereto, and determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that proper and adequate notice of the Motion has been given and that no other or

[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).

[2] Capitalized terms used but not defined in this Order have the meanings given them in the Motion.

further notice is necessary, except as otherwise ordered herein; and after due deliberation and sufficient cause appearing therefor:

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.

2. The United States is entitled to adequate protection based on its right of setoff, 11 U.S.C. §§ 361(e), 506(a), and shall have an allowed super-priority administrative claim under 11 U.S.C. § 507(b) in an amount equal to any payments by DLA to Noble that meet the requirements of 11 U.S.C. § 553.

3. Any proceeds from the Debtors' proposed sale of its assets shall be placed into a reserve until the amount of the United States' allowed super-priority claim can be liquidated.

4. The fourteen-day stay under Bankruptcy Rule 4001(a)(3) is waived, and this Order is effective and enforceable immediately upon entry.

5. The Court retains jurisdiction over all matters arising from or related to the interpretation, implementation, or enforcement of this Order.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
Noble Supply & Logistics, LLC, *et al.*,	)	
	)	Case No. 26-11369 (CTG)
	)	Chapter 11
Debtors.[1]	)	(Jointly Administered)
	)	
	)	

DECLARATION OF SAMSON ASIYANBI

I, Samson Asiyanbi, hereby declare under penalty of perjury:

1. I am a Trial Attorney with the United States Department of Justice, Commercial Litigation Branch, Civil Division (the "Fraud Section"). I am assigned to the investigation of debtor Noble Supply & Logistics, LLC ("Noble Supply") described below.

2. The investigation arises from two partially overlapping *qui tam* actions against Noble Supply for bid rigging and discount fraud in violation of the False Claims Act (FCA), 31 U.S.C. §§ 3729-3733. Both *qui tam* actions remain under seal, but the courts have granted the government's requests to partially lift the seals in these matters for the purpose of disclosing their existence and allegations to the bankruptcy court. The first *qui tam*, pending in the District of Massachusetts, was filed on August 16, 2019. The second *qui tam*, pending in the District of New Mexico, was filed on or around July 20, 2020. DOJ's Fraud Section, along with the United States Attorney's Offices for the District of Massachusetts and the District of New Mexico, are investigating these matters.

[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)("Noble"); 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).

3. The government's investigation concerns Noble Supply's maintenance, repair, and operations ("MRO") contracts with the Defense Logistics Agency ("DLA") for Northeast United States, Southeast United States, and European Command regions.

4. A Civil Investigative Demand ("CID") was issued to Noble Supply in the summer of 2021 and served thereafter. Counsel for the United States and Noble Supply had many conversations about the CID, including about the nature of and issues in the government's investigation, the priority and scope of documents to be produced, and the investigative timeline. In March 2023, the United States issued and served a follow-on CID to Noble Supply, its chief executive, and multiple employees, expanding the scope of the investigation.

5. Noble Supply has made over 32 productions totaling more than one million documents. It made its first production on or around September 14, 2021, and its latest production on or around March 10, 2025.

6. Over the course of the investigation, counsel for the United States and Noble Supply have held several meetings by teleconference and in-person and exchanged presentations. On or around June 20, 2024, government counsel gave a liability presentation to Noble Supply, where government counsel outlined investigative results and prospective claims against Noble Supply for violation of the FCA. During this meeting, government counsel also notified Noble Supply of the existence of the two *qui tam* actions described herein.

7. On or around June 27 and July 8, 2024, counsel for Noble Supply notified the government that Noble Supply wanted a global resolution that includes the FCA claims described herein. On or around July 10, 2024, I provided counsel for Noble Supply with the application for the resolution of the claims through the DOJ's ability to pay process, which is the process used to

resolve claims when a settling party owes the government more money than the party could afford to pay.

8. On December 18, 2024, Noble Supply submitted a certified ability-to-pay application, and it provided supporting documentation in the following weeks. The United States and Noble Supply subsequently held many discussions and exchanged multiple proposals and draft agreements before Noble Supply filed of bankruptcy on August 30, 2026.

9. During the ensuing negotiations, the United States informed Noble Supply, through its counsel, of the factual and legal bases for FCA claims it has against Noble Supply and identified the amount Noble Supply owes for its FCA violations.

10. Government counsel informed Noble Supply that its conduct caused the government to overpay Noble Supply on more than a thousand transactions involving over 30 vendors. A person or entity found to have violated the FCA is liable to the United States for a civil penalty for not less than $14,308 or more than $28,609 (as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. § 2461 note; Public Law 104–410 [1])), plus three times the amount of damages the government sustains because of the acts of that person.

11. The United States notified Noble Supply that the conduct alleged herein resulted in claims of $266,800,000 (two hundred and sixty-six million and eight hundred thousand dollars) in treble damages.

12. Under the FCA, Noble Supply could be assessed per-claim civil penalties ranging from $14,308,000 to $28,609,000 for one thousand false claims.

I declare under penalty of perjury that the foregoing is true and correct.

SAMSON ASIYANBI Digitally signed by SAMSON ASIYANBI Date: 2026.10.13 15:57:38 -04'00'

Dated: October 13, 2026

Samson Asiyanbi
Trial Attorney
Commercial Litigation Branch
Civil Division
U.S. Department of Justice

Exhibit C

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
Noble Supply & Logistics, LLC, *et al.*,	)	
	)	Case No. 26-11369 (CTG)
	)	Chapter 11
Debtors.[1]	)	(Jointly Administered)
	)	
	)	

DECLARATION OF ALASTAIR M. GESMUNDO

I, Alastair M. Gesmundo, hereby declare under penalty of perjury:

1. I am a Trial Attorney with the Corporate/Financial Litigation Section of the United States Department of Justice. I am one of the counsels of record representing the United States of America, including the Defense Logistics Agency, in the above-captioned matter.

2. I am submitting this declaration in support of the United States' motion for adequate protection. **Attachment 1** to this declaration is a true and correct copy of excerpts from the Hearing Transcript for the hearing held on September 16, 2026 before the Hon. Craig T. Goldblatt on the above-captioned debtors' emergency motion to compel (the "Transcript").

[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)("Noble"); 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).

3. The Transcript appears at Docket Entry No. 154, entered on September 22, 2026. I received an electronic copy of the Transcript via e-mail from the Court Reporter/Transcriber, Reliable.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 13, 2026

ALASTAIR GESMUNDO
Digitally signed by ALASTAIR GESMUNDO
Date: 2026.10.13 19:02:20 -04'00'

Alastair M. Gesmundo
Trial Attorney
Commercial Litigation Branch
Civil Division
U.S. Department of Justice

Attachment 1

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	. Chapter 11
	. Case No. 26-11369 (CTG)
NOBLE SUPPLY & LOGISTICS, LLC, *et al.*,	. (Jointly Administered)
	. Courtroom No. 7
	. 824 Market Street
Debtors.	. Wilmington, Delaware 19801
	. Wednesday, September 16, 2026
. . . . .	. 10:00 a.m.

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For the Debtors:	G. David Dean, Esquire COLE SCHOTZ, P.C. 500 Delaware Avenue Suite 600 Wilmington, Delaware 19801
For the United States of America:	Alastair M. Gesmundo, Esquire U.S. DEPARTMENT OF JUSTICE 1100 L Street, NW Washington, DC 20005
(APPEARANCES CONTINUED)	
Audio Operator:	Teasha Marsh, ECRO
Transcription Company:	Reliable The Nemours Building 1007 N. Orange Street, Suite 110 Wilmington, Delaware 19801 Telephone: (302)654-8080 Email: gmatthews@reliable-co.com

Proceedings recorded by electronic sound recording, transcript produced by transcription service.

APPEARANCES (CONTINUED):

For Blue Torch Finance, LLC:

Adam C. Harris, Esquire
MCDERMOTT WILL & SCHULTE, LLP
919 Third Avenue
New York, New York 10022

INDEX

MOTIONS:		PAGE
Agenda Item 1:	Debtors' Emergency Motion for Entry of an Order (I) Compelling the Defense Logistics Agency to Perform Under Executory Contracts, (II) Enforcing the Automatic Stay, (III) Ordering the Defense Logistics Agency to Cease All Violations of the Automatic Stay, and (IV) Granting Related Relief (Filed September 11, 2026) [Docket No. 102]	5
	Court's Ruling:	84

INDEX

WITNESSES CALLED BY THE DEBTORS:	PAGE
ROBERT ALBERGOTTI	
Direct examination by Mr. Dean	25
Cross-examination by Mr. Gesmundo	42
Cross-examination by Mr. Harris	50
Redirect examination by Mr. Dean	52

EXHIBITS

DEBTORS' EXHIBITS:	PAGE
1 - Declaration of Robert Albergotti	24
2 - Declaration of Seth Van Aalten	24
3 - Settlement agreement	24
4 - Arnold & Porter letter and attachments	24
Transcriptionists' Certificate	86

(Proceedings commence at 10:00 a.m.)

(Call to order of the Court)

THE COURT: Be seated.

Good morning. We are on the record in Noble Supply & Logistics LLC, which is Case Number 26-11369.

Let me thank the parties. I know this is all set on very short notice. And the briefing that came through has been very helpful, and I appreciate you all scrambled to do that, so I don't take that for granted. I appreciate that.

I guess I'm happy to start by getting a little bit of an understanding of the lay of the land. And before we launch into evidence and argument, I guess I'd like to understand if we could sort of crystallize where there are disputes.

So Mr. Dean, I'm happy to start with you.

MR. DEAN: Good morning, Your Honor. For the record, David Dean of Cole Schotz on behalf of the debtors.

As the Court is aware, we're here today on the debtors' motion to compel Defense Logistics Agency, or "DLA", to pay the debtors certain undisputed amounts necessary to maintain the debtors' operations in these cases.

With me today is my co-counsel Seth Van Aalten and Rob Albergotti, both of whom submitted declarations in support of the motion today.

Now, as detailed in the motion, we're here, Your

Honor, because, on September 4th, with no notice or explanation to us, the DLA instituted a complete block on all the payments owed to the debtors. As of the date of the motion, the DLA owed the debtors more than $3 million on account of invoices that had been properly submitted and scheduled for payment.

In just the few days since the motion was filed, Your Honor, the number had increased -- has increased to over $5.8 million and will increase to $8 million in the next couple of weeks.

Importantly, the debtors' books and records reflect over $32 million owed by the DLA to the debtors in total, and $26 million of that thirty-two is contained and included in the debtors' thirteen-week interim budget that was approved by the Court on an interim basis a couple of weeks ago.

Now, as you'll hear from Mr. Albergotti today, there is simply no way for the debtors to remain in Chapter 11 and in compliance with its covenants if these undisputed amounts aren't received by the debtors in the next couple of weeks.

And I think just -- I think it might be important just to give you an update on the sale process. The IOI deadline was yesterday; we did receive seven IOIs. We feel pretty good about the sale process right now. And I think

allowing us to continue with that process would be --

THE COURT: All right. So --

MR. DEAN: -- a value-maximizer --

THE COURT: So let me --

MR. DEAN: -- for everybody.

THE COURT: So I get you need the money.

MR. DEAN: We need the money.

THE COURT: And I get that, if you get the money, you're going to use it for good --

MR. DEAN: Uh-huh.

THE COURT: -- and valuable purposes that will maximize value for the benefit of everybody, that -- I get all of that.

MR. DEAN: Got it.

THE COURT: The question is: Are you entitled to the money?

MR. DEAN: Well, we believe so.

THE COURT: Right. No, I understand. But so I'm much more interested --

MR. DEAN: Yep.

THE COURT: -- in that than in the fact that you need it. I -- let's assume you need it. There are lots of times when people need money in order to run a case, but if they don't have a legal right to it, the Bankruptcy Court can't help them, right?

MR. DEAN: Yes, Your Honor.

THE COURT: Okay. Very well. Thank you.

MR. DEAN: And may I just deal with the documentary evidence before we call the witnesses to the stand?

THE COURT: Sure.

MR. DEAN: And I'd like to just ask for permission to hand up a couple of other documents that weren't in the binder --

THE COURT: Very well.

MR. DEAN: -- in response to what they filed. I'm handing two -- would you like one or two? Is --

THE COURT: Two copies would be helpful.

MR. DEAN: Two copies?

I'm handing you what we're going to ask to be marked as Exhibit 4, and then we're handing you a demonstrative that we're going to put on the screen and show the witness, but we're not going to move into evidence.

THE COURT: Okay. Very well. Thank you.

MR. DEAN: And just so the Court knows, Exhibit 4, the letter from Arnold & Porter --

THE COURT: Uh-huh.

MR. DEAN: -- is the claim that we filed against the DLA relating to the $7.9 million, and we'll discuss that later, but I just wanted to identify that for now, Your

Honor.

And we do have a stipulation with the DOJ on exhibits.

THE COURT: Okay.

MR. DEAN: We've agreed that -- the debtors, first of all, will agree to admit the three declarations supporting the opposition without objection and without cross.

I do understand that one of the three witnesses may not be available until noon. We have no questions for that witness. If Your Honor has any questions, then --

THE COURT: Okay. We'll sort that out if we get there.

MR. DEAN: -- we can sort that out later, but --

THE COURT: And I appreciate everyone's on short notice and, you know, I -- you know, I appreciate the -- everyone scrambling to be as available as you have been.

MR. DEAN: And then with respect to our exhibits, Exhibit 1 is the declaration of Mr. Albergotti, and as well as the three exhibits attached to his declaration.

THE COURT: Uh-huh.

MR. DEAN: We've agreed that those would be admitted without objection.

The declaration of Mr. Van Aalten, which is a transmittal declaration with the emails with the DLA prior to filing the motion attached.

And Exhibit 3 is a dupe of one of the attachments to their declaration, which is the settlement agreement. This is the settlement agreement that they based the three-million-dollar on --

THE COURT: Okay.

MR. DEAN: -- that we say we owe 500,000 on.

So we would, at this point, move all of those exhibits into evidence. And subject to any other discussion the Court wants to have about them, we would then call Mr. Albergotti.

THE COURT: All right. So, first, is there any objection to the admission of -- into evidence of the exhibits to which Mr. Dean referred?

MR. GESMUNDO: No objection, Your Honor.

THE COURT: Okay. So those will be admitted.

(Debtors' Exhibits 1 through 4 received in evidence)

THE COURT: And I'm happy to hear from the witness, so you should call your witness.

MR. DEAN: Okay. the debtor's called Robert Albergotti.

THE COURT: Okay. Mr. Albergotti, if you could take the stand. And Ms. Barksdale, if you could swear the witness.

THE COURT OFFICER: Good morning.

//

certain number of payments on a certain date and we will, within a very tight margin, see those payments come through.

BY MR. GESMUNDO:

Q Understood. Thank you, is Mr. Albergotti.

A Uh-huh.

MR. GESMUNDO: If my colleagues are -- or opposing counsel wouldn't mind going to the next demonstrative, please?

BY MR. GESMUNDO:

Q Mr. Albergotti, you noted that I believe it's starting from the 10.1-million-dollar amount, that column --

A Yes.

Q -- to the right, that doesn't appear in the WAWF, wide area work flow, like, that information is, in other words, not in DLA's -- within DLA's knowledge?

A It should be within DLA's knowledge, but in the extract that we run in forecasting our receivables, it's not in the report that we generate on a daily basis to track this. But they should be aware of the order, especially on the 10.1, the order that was placed, delivered, and received. There's just a reconciliation process that goes through while we're confirming with the relevant counterparties and DLA, that they have everything they need for us to upload the invoice into the wide area work flow.

Q Understood.

MR. DEAN: Yeah, just briefly, Your Honor.

REDIRECT EXAMINATION

BY MR. DEAN:

Q Mr. Albergotti, I just want to have a -- I just want you to clarify how you and I, when we were talking, are using the word "dispute" when I was asking you whether you were aware of any disputed disputes as to the 8 million, the 2.9, the 10.1, and the 5.5, okay.

Were you referring to substance or timing of payment?

MR. GESMUNDO: Objection; vague.

THE COURT: What's your response to the objection?

MR. DEAN: I'm happy to rephrase, but I thought that the question was clear as to what I was asking the witness.

THE COURT: I think it's clear enough, so I'll overrule the objection, and you can answer to the extent that you are able to.

THE WITNESS: I think, you know, when I think about the disputes, I think it is more around a price-and-quantity dispute and maybe a little-d dispute, not a defined term dispute, but a reconciliation process that needs to take place that may delay the timing of payments.

BY MR. DEAN:

Q So when you were speaking to me about whether these amounts were in dispute, you were not referring to whether it

might be to -- there may be some -- a couple of days of variation as to when the payment was actually due and payable under the contract, correct?

A Correct, especially for the 8 million.

Q Okay.

A There would be some variability on the days that the payment might be received and then it becomes less certain on the timing of payment as we look at the 2.9 and the 1.7, because there's additional work that needs to be done between both, Noble and the customer, to understand what the discrepancy is.

Q And just to clarify, are you aware of any substantive dispute, not payment timing, with respect to the 8 million, the 10.1, or the 5.5 million?

A I am not, no.

Q And any -- do you believe that any substantive dispute, with respect to 2.9 will ultimately be resolved?

A I don't have any reason to believe that it wouldn't be, but given that there's, you know, 1.7 that's, over time, has moved -- like, has not been able to be reconciled on an easy basis, my suspicion is some portion of that 2.9 will move into the 8 million category and some portion would move into the 1.7.

Q Thank you.

MR. DEAN: Your Honor, I have no further

questions.

THE COURT: Okay. Any other party have questions for Mr. Albergotti; if not, thank you very much for your testimony. You may step down.

(Witness excused)

THE COURT: And Mr. Dean, you may call your next witness.

MR. DEAN: That concludes the evidentiary presentation, Your Honor.

THE COURT: Okay. I'm happy to hear from the Government, then.

MR. GESMUNDO: Your Honor, I think I just had a couple of points that I wanted to bring up --

THE COURT: Okay.

MR. GESMUNDO: -- one, which has to do with -- it's in relation to this total balance that's projected at 31.8. I think I wanted to point out to Your Honor that notwithstanding the total amount of claims that the debtors are projecting to be owed to them, the United States also has time, up to 180 days, to file its proof of claim and to gather that information and to present that it is also owed. So, I guess the point being that it sort of leads the Court back to where you started, Your Honor, which is that we might need a claims estimation process.

THE COURT: All right. So I understand that and

And so what have they alleged? They have alleged we're owed a little under $3 million under the settlement agreement, and I'll talk about that in a minute --

THE COURT: Uh-huh.

MR. DEAN: -- and then we're owed $7.9 million under this FSG contract. So even if you accept everything they said to be completely accurate --

THE COURT: What about the False Claims Act claim?

MR. DEAN: That's the -- the False Claims Act claim is the settle -- the settlement agreement claim, is my understanding.

THE COURT: Oh, that's been reduced to a settlement?

MR. DEAN: That's the settlement agreement claim. Counsel can correct me if I'm wrong, but I believe that's the case.

THE COURT: Okay. Got it. Okay.

MR. DEAN: Okay. So there's just two claims that they've alleged against us. One is the settlement agreement claim, the false acts claim, and then the other is the seven nine it's consumed in this litigation --

THE COURT: I understand that.

MR. DEAN: -- that we commenced against them for $80 million.

So my first response to Your Honor's question is

they are absolutely adequately protected just by virtue of the mere dollars that are going to be owed after the 8's paid for the next few weeks. If there was any dispute beyond that, I want to make a couple of observations. One about -- a couple about the agreement -- the settlement agreement claim itself and then a couple about the 7.9-million-dollar claim consumed in our litigation against them.

Let me start with making a couple of observations about the settlement agreement. I just want to point Your Honor in Exhibit 3 in the binder to the provision that we're dealing with here and that -- and the one in dispute -- and that is on page 10 of the settlement agreement. It's paragraph 9, sub (e).

THE COURT: So my form of binder has tabs for Exhibit 1 and Exhibit 2 and not a tab with Exhibit 3, unless you mean Exhibit 3 to Exhibit 1?

MR. DEAN: I think it's exhibit -- I think we updated the binder yesterday after we got --

THE COURT: Oh.

MR. DEAN: -- so let me get you a copy of the Exhibit 3.

THE COURT: Okay.

(Pause)

MR. DEAN: Do we have another?

(Counsel confers)

the payments that have been made, which is about two nine. It's in their objection.

THE COURT: Okay.

MR. DEAN: So that's the spread of the dispute; it's about $2.4 million.

THE COURT: And I take it your fundamental position is, okay, even if we owe them $3 million, that's still --

MR. DEAN: It's so -- the math still works.

THE COURT: -- they're still -- so, therefore, if I accept that, there's no reason for me to hurt my head over this, right?

MR. DEAN: The math still works. I just -- I only say if you're going to say anything about an estimation hearing on the other piece of it, which we'll talk about in a minute, I don't think we need to do that here because this is purely a legal issue that the Court can rule on.

THE COURT: No, I -- okay, so I'm with you that far.

MR. DEAN: Okay. Now, let's talk about the seven nine, and, again, it's the same concept. They've got plenty of money that's going to come due in the next several months. It's disputed they could cover that, but more to the point, what would an estimation proceeding on this look like? I mean, you --

THE COURT: No, I understand -- I think I understand what you're saying.

MR. DEAN: This is a pretty complicated claim that we put into this 58-page, single-spaced letter, right. But I think all you have to do is find that our claim is at least seven -- our eighty-million-dollar claim is at least $7.9 million and it becomes a wash. It's like a defense or a recoupment to this.

THE COURT: I understand.

MR. DEAN: So my point is, they're adequately protected to allow us to get paid and the releases CAGE-block in so many different ways.

THE COURT: So, Mr. Dean, this is helpful and so -- and apologies, although I've read the papers, there have been a lot of numbers floating around and your floating bar chart is helpful for me to under -- put these in buckets --

MR. DEAN: Uh-huh.

THE COURT: -- but just so I -- let me pull up your floating bar chart for a second.

So I understand the $8 million. I under -- I certainly understand that some of the -- you could have a conversation about whether the 2.9 is either disputed or not disputed, but I think I understand what the record tells me about that. I understand that the 1.7, let's call that "disputed" and the 3.3 that you claim is a receivable under

FSG 53, that's clearly disputed, right?

MR. DEAN: Not necessarily. It's sort of encompassed in all of that. We don't have a reason to believe that these invoices right now are disputed, but we do anticipate that if we're going to be litigating this whole FSG contract with them, that they may raise --

THE COURT: Okay.

MR. DEAN: -- it at the appropriate time. So, potentially disputed, I would call it.

THE COURT: Okay. Let me make sure I understand the state of play. The $80 million that you're claiming under FSG 3 (phonetic), that's -- the only thing you're showing on this bar chart as to that $80 million is this 3.3?

MR. DEAN: That's what our invoices for work.

THE COURT: You've already invoiced, and there's a dispute about the rest and that you may or may not get it.

MR. DEAN: Correct.

THE COURT: And the issue about the settlement payment and the -- I'm sorry -- the incentive payment issue is encompassed within that?

MR. DEAN: It's consumed in that.

THE COURT: So if they win that, that will reduce that claim by $7.7 million?

MR. DEAN: That's correct, Your Honor. You got it.

going to be. And so it doesn't seem to me, necessary, to create an -- look, the debtor is running out of money in two weeks, right. And so if we were going to do an estimation, what we were going to do is we were going to have a hearing in the a week, where we were going to do an estimation and figure out what's owed and resolve all of that. And we could do that, but to what end? Why -- that's going to be a sloppy, fast, highly expedited process in which we sacrifice getting it as right as we can because we have an emergency. And if we had a real emergency, that's what I would do, but just looking at this record before me, I don't think it's necessary to do that in order to protect the Government's interests.

And so let me pause there for a second and if you think there's something that I'm misunderstanding or I've got the facts wrong, I want to make sure I've listened to you fully.

MR. GESMUNDO: Sure, Your Honor, and I appreciate that.

And it's not so much that you've misapprehended anything that the debtors have said. I think the United States maintains that by virtue of filing that letter, that that $80 million or whatever's mentioned in that supplemental exhibit that was filed today, in the same way that as you've already recognized, the Government has its right to file its

proofs of claim in amounts that we anticipate will be in excess of that. That $80 million, in our view, although it was received in (indiscernible) today, Your Honor, shouldn't be calculated --

THE COURT: Let's assume that I'm not crediting any of the $80 million --

MR. GESMUNDO: Yes.

THE COURT: -- and I'll really going -- making this decision based only on this chart --

MR. GESMUNDO: Sure.

THE COURT: -- and the record about there being future deliveries, you know, in the millions of dollars as to which, you know, the debtor is going to deliver the product and they'll send invoices and if there remains, at that point, a receivable due to the Government, the Government would be able to set off against that and I've retained the authority to resolve that.

So why isn't that sufficient to ensure that we can get to a sale process, maximum value for everybody, and still not prejudice the Government's interests?

MR. GESMUNDO: Your Honor, at that point, I would direct the Court's attention to our objection and more specifically, the background where we describe each of the contracts and highlight which ones have been expired on their own terms, terminated. So when the Court's premise is that

there's still three deliveries, the United States would dispute that, and so...

THE COURT: Okay. That's fair. So let's -- and the record I've got on that is not crystal clear.

Okay. Mr. Dean, can I ask you this question -- and don't go very far --

MR. GESMUNDO: Sure. I'll be right here.

THE COURT: -- because I'm trying -- look, before you come up, let me tell both of you this is sort of how I view the world, right. Strumpf says what it says. No one seems -- it clearly contemplates surely when there's an undisputed relationship back-and-forth, you're allowed to freeze. It doesn't tell us what happens when there's a dispute, but the references in that opinion to parties moving quickly for stay relief and the like clearly contemplate that we're not going to, you know, basically freeze the case indefinitely to the detriment of the estate and other creditors for this purpose.

So -- and in the absence of any other authority that gives me any greater clarity, what I take from this and the principle that I glean is, therefore, the Court ought to, based on the record before it, set up an appropriate process and exercise its discretion wisely to set up a process that protects the rights of the party that's entitled to setoff on the one hand and balance that against the interests of the

CERTIFICATION

We certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of our knowledge and ability.

/s/ William J. Garling September 17, 2026

William J. Garling, CET-543

Certified Court Transcriptionist

For Reliable

/s/ Coleen Rand September 17, 2026

Coleen Rand, CET-341

Certified Court Transcriptionist

For Reliable

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
Noble Supply & Logistics, LLC, *et al.*,	)	Case No. 26-11369 (CTG)
	)	
	)	Chapter 11
Debtors.[1]	)	(Jointly Administered)
	)	
	)	Hearing Date: October 28, 2026 at 2:00 p.m. (ET)
		Objection Deadline: October 21, 2026 at 4:00 p.m. (ET)

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that on October 13, 2026, the United States of America, on behalf of its agencies, departments, and instrumentalities, including the Defense Logistics Agency ("DLA"), filed the **United States' Motion for Entry of an Order (I) Granting Adequate Protection Under Sections 361, 363(e), and 553 of the Bankruptcy Code and (II) Granting Related Relief** (the "Motion") with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the "Court"). The Motion seeks adequate protection pursuant to 11 U.S.C. §§ 361, 363(e) based on its setoff rights under 11 U.S.C. § 553.

PLEASE TAKE FURTHER NOTICE that any response or objection to the relief requested in the Motion must be in writing, filed with the Court, and served upon the undersigned

[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).

counsel for the United States so as to be received on or before October 21, 2026, at 4:00 p.m. (prevailing Eastern Time).

PLEASE TAKE FURTHER NOTICE that a hearing on the Motion will be held on October 28, 2026, at 2:00 p.m. (prevailing Eastern Time) before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge, at the Court, 824 North Market Street, 5th Floor, Courtroom No. 5, Wilmington, Delaware 19801.

IF NO RESPONSE OR OBJECTION IS TIMELY FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: October 13, 2026

Respectfully submitted,

BRETT A. SHUMATE
Assistant Attorney General

MARC S. SACKS
Deputy Director

MARY A. SCHMERGEL
Assistant Director

Ryan W. Lamb
Trial Attorney

/s/Alastair M. Gesmundo
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Attorneys for the United States

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
Noble Supply & Logistics, LLC, *et al.*,	)	Case No. 26-11369 (CTG)
	)	
	)	Chapter 11
Debtors.[1]	)	(Jointly Administered)
	)	
	)	

CERTIFICATE OF SERVICE

I certify that on October 13, 2026, I caused copies of the United States' Motion for Entry of an Order (I) Granting Adequate Protection Under Sections 361, 363(e), and 553 of the Bankruptcy Code and (II) Granting Related Relief, the Declarations of Samson Asiyanbi and Alastair Gesmundo filed with it, the proposed order, and the Notice of Motion and Hearing to be served through the Court's CM/ECF system on all parties registered to receive electronic notice in these cases.

Dated: October 13, 2026

Respectfully submitted,

BRETT A. SHUMATE
Assistant Attorney General

MARC S. SACKS
Deputy Director

MARY A. SCHMERGEL
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