IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
Noble Supply & Logistics, LLC, *et al.*,	)	Chapter 11
	)	Case No. 26-11369 (CTG)
	)	
Debtors.[1]	)	(Jointly Administered)
	)	
	)	**Hearing Date: October 28, 2026 at 10:00 a.m. (ET)**
	)	
	)	Re: D.I. 325, 363, 364, 365, 367

REPLY OF THE UNITED STATES IN SUPPORT OF ITS MOTION FOR LIMITED RELIEF FROM THE AUTOMATIC STAY TO EXERCISE TERMINATION RIGHTS WITH RESPECT TO CERTAIN DLA CONTRACTS AND DELIVERY ORDERS

The United States, on behalf of the Defense Logistics Agency ("DLA"), submits this reply to the Debtors' limited objection [D.I. 363] (the "Objection") to its motion for limited relief from the automatic stay [D.I. 325] (the "Motion") and to the supporting declaration of Robert Albergotti [D.I. 365] (the "Albergotti Declaration"). The Debtors do not oppose relief from the stay. They seek only to (i) exclude from that relief more than 2,100 of the approximately 21,000 Schedule A Orders, which they designate the "Completed Orders," and (ii) strike the second sentence of paragraph 4 of the proposed order [D.I. 325, Ex. A] (the "Proposed Order"). Obj. ¶¶ 1–3. The Official Committee of Unsecured Creditors has filed a reservation of rights [D.I. 367]. The Court should overrule the Objection and enter the Proposed Order. Pursuant to Local Rule 9013-1(f), the

[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).

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United States consents to the entry of a final order by the Court on the Motion in the form of the Proposed Order, but does not consent to the entry of the order the Debtors propose [D.I. 363, Ex. A].

ARGUMENT

I. The Motion Seeks Only Relief from the Stay to Take Termination Steps Under Applicable Law.

1. The Motion seeks to modify the automatic stay so that DLA may take the steps the DLA Contracts and federal procurement law require to terminate the Schedule A Orders. Mot. ¶ 8. The Proposed Order is confined to that relief. It modifies the stay "solely to permit DLA to exercise its termination rights," including by "issuing any notices and taking any other contractual or administrative steps required to effectuate such terminations in accordance with the applicable contract terms and nonbankruptcy law." Proposed Order ¶ 2. Entry of the Proposed Order terminates no Delivery Order, and the order does not adjudicate "the merits or propriety of any termination" or "any right, claim, or defense of any party arising from such a termination." *Id.* ¶ 4.

2. The Debtors' request for an order-by-order determination is therefore improper. The only factual issue the Objection raises is whether Noble completed performance under particular Delivery Orders. Obj. ¶ 1. That issue goes to "the merits or propriety" of a termination, which the Proposed Order reserves to the procedures that govern terminations under applicable nonbankruptcy law. Proposed Order ¶ 4. Its resolution is not necessary to grant relief from the stay. Excluding the Completed Orders would instead convert this contested matter into an adversary proceeding over what Noble delivered, and what the Government accepted, under each of more than 2,100 Delivery Orders. A stay-relief proceeding is not the vehicle for that inquiry. *See In re Mullarkey*, 536 F.3d 215, 226–27 (3d Cir. 2008) (explaining that a hearing on a motion for relief from stay "is meant to be a summary proceeding" and does "not involve a full

adjudication on the merits of claims, defenses, or counterclaims" (quoting *Grella v. Salem Five Cent Sav. Bank*, 42 F.3d 26, 32–33 (1st Cir. 1994))).

3. Excluding the Completed Orders would also serve no purpose. If DLA terminates a Delivery Order that Noble contends was complete, Noble may present its claim to the contracting officer under the Contract Disputes Act (the "CDA"). *See* 41 U.S.C. § 7103(a)(1). The exclusion would, however, leave the stay in place as to more than 2,100 orders that DLA's records show remain undelivered. Until those orders are terminated, DLA cannot procure the supplies elsewhere, the military customers who require them must wait, and the funds DLA obligated for them remain earmarked. Mot. ¶ 6.

4. Further, the Debtors acknowledge that other Schedule A Orders "have not been delivered," Obj. ¶ 1 n.3, and their proposal to "engage in discussions" about filling those orders from Noble's inventory provides no basis to keep DLA bound to orders that are past due or that Noble agreed to terminate. Mot. ¶ 6 & n.3.

II. The Debtors Have Not Shown That Any Schedule A Order Is Complete.

5. Were the issue properly before the Court, the Objection would still fail. It rests on a single factual assertion: that Noble "completed performance" on the Completed Orders "by delivering all of the goods and/or performing all of the services underlying the order." Obj. ¶ 1. The Debtors bear the burden of proof on that assertion. 11 U.S.C. § 362(g)(2). Where, as here, equity is not at issue, "the burden to resist lifting of the stay rests entirely with the Debtor." *In re Abeinsa Holding, Inc.*, No. 16-10790 (KJC), slip op. at 5 (Bankr. D. Del. Oct. 6, 2016).

6. The Albergotti Declaration does not satisfy that burden. A declaration that is "essentially conclusory" and lacking in specific facts cannot satisfy a party's burden. *Blair v. Scott Specialty Gases*, 283 F.3d 595, 608 (3d Cir. 2002) (quoting *Maldonado v. Ramirez*, 757 F.2d 48,

51 (3d Cir. 1985)). The Albergotti Declaration states only that a financial advisory team compared Schedule A with the Debtors' internal "NetSuite" records and found "numerous" completed orders. Albergotti Decl. ¶¶ 4–5. It attaches no records, identifies no delivery date or destination, and offers no evidence that the Government accepted any supplies or services. Its declarant attests only "to the best of [his] knowledge, information and belief." *Id.* at 3.

7. DLA's declarations, by contrast, state that DLA reviewed each open Delivery Order individually and that, as to each Schedule A Order, Noble had not completed delivery and the Government had not received or accepted the undelivered supplies or services. Parker Decl. ¶¶ 9–10; Cuorato Decl. ¶¶ 11–12; Vendetti Decl. ¶¶ 14–15. Schedule A to those declarations reflects an undelivered quantity for every order the Debtors seek to exclude. The Objection does not address that evidence.

8. The Debtors' own list demonstrates the unreliability of their review: it includes Delivery Order SPE8E324F8106, under which Noble delivered none of the six units ordered. Vendetti Decl. ¶ 15 & Sched. A; *see* Obj. Ex. B.

9. The Objection also rests on a legal error: it equates delivery with completion. Under the DLA Contracts, a Delivery Order is complete only upon the Government's *acceptance* of conforming supplies at the destination the order specifies. The DLA Contracts incorporate FAR 52.212-4, which provides that "[p]ayment shall be made 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); *see* Parker Decl. ¶¶ 5, 11; Cuorato Decl. ¶¶ 6, 13; Vendetti Decl. ¶¶ 6, 16; *see also* 48 C.F.R. §§ 46.501, 52.212-4(a). The only authority the Objection cites involving shipped goods turned on the terms of a shipment contract. Under that contract, the seller's performance was complete upon tender of the goods to the carrier and that tender was all that contract required of

the seller. Obj. ¶ 1 n.4 (citing *In re Nevins Ammunition, Inc.*, 79 B.R. 11, 16–17 (Bankr. D. Idaho 1987)). The DLA Contracts, by contrast, require *acceptance* by the Government at the specified destination.

10. Noble's own statements to this Court foreclose the equation of delivery with completion. In its adversary proceeding against DLA, Noble pleaded, and Mr. Albergotti averred, that delivery is only the first step of a five-step process: after delivery, Noble must submit proof of delivery to the contracting officer, and the contracting officer must validate such proof before Noble may invoice. Compl. ¶ 17, *Noble Supply & Logistics, LLC v. Def. Logistics Agency*, Adv. Pro. No. 26-50885 (CTG), Adv. D.I. 1; Adv. D.I. 5 ¶ 12. Mr. Albergotti described "the total elapsed time between the delivery of product . . . and the DLA's acceptance of the goods receipt" as approximately seven days. Adv. D.I. 5 ¶ 13. He declared that DLA had not validated Noble's proof of delivery for $14,566,268.02 in orders that Noble says it delivered. *Id.* ¶ 17. And Noble pleaded the Government's acceptance as a separate element of its claim. Compl. ¶¶ 33, 37. Thus, by Noble's own account, delivery and acceptance are different events.

11. The Albergotti Declaration nonetheless describes only delivery. Mr. Albergotti defines completion as "delivering all of the goods and/or performing all of the services," and the NetSuite records his team reviewed contain, as he describes them, order, shipment, delivery, and invoice data, but nothing on validation, goods receipt, or acceptance. Albergotti Decl. ¶ 4. Noble cannot tell the Court in its adversary proceeding that the contracting officer must validate delivery, and the Government must accept, before payment is due, and then tell the Court here that delivery alone requires payment for more than 2,100 Delivery Orders.

III. The Disputes Provision Restates Governing Law and Should Remain.

12. The second sentence of paragraph 4 of the Proposed Order (the "Disputes Provision") provides that any dispute arising from a termination "must be resolved through the procedures that govern the termination under applicable nonbankruptcy law, including the Contract Disputes Act, 41 U.S.C. §§ 7101–7109." The Disputes Provision does not "pre-adjudicate" a forum, Obj. ¶ 2; it restates governing law. The CDA requires that "[e]ach claim by a contractor against the Federal Government relating to a contract shall be submitted to the contracting officer for a decision." 41 U.S.C. § 7103(a)(1). Indeed, the Debtors have represented to this Court that Noble "currently intends to appeal the DLA's [termination] decision pursuant to the Contract Disputes Act of 1978." D.I. 15 ¶ 57.

13. The language the Debtors propose in place of the Disputes Provision adds nothing to the Proposed Order. It provides that the Debtors' rights and claims, and the Government's defenses, "are fully preserved," and that nothing in the order limits the Debtors' ability to pursue claims "in any court of competent jurisdiction." Obj. Ex. A ¶ 4. The first sentence of paragraph 4 of the Proposed Order already provides that the order does not adjudicate "any right, claim, or defense of any party arising from such a termination." Proposed Order ¶ 4. To the extent the Debtors seek more, an objection to a motion for relief from the stay is not a vehicle for substantive relief. *See Mullarkey*, 536 F.3d at 226–27. Should the Court strike the Disputes Provision, it should enter the remainder of the Proposed Order, including Schedule A, as proposed.

CONCLUSION

WHEREFORE, the United States respectfully requests that the Court overrule the Objection and enter the Proposed Order.

Dated: October 22, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on October 22, 2026, I caused a copy of the Reply of the United States in Support of Its Motion for Limited Relief from the Automatic Stay to Exercise Termination Rights with Respect to Certain DLA Contracts and Delivery Orders to be served through the Court's CM/ECF system on all parties registered to receive electronic notice in these cases.

Dated: October 22, 2026

/s/ Ryan W. Lamb
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