Case 22-11824-abl Doc 850 Entered 08/28/23 12:28:09 Page 1 of 6

Rule 3007.1 extending the general claims objection deadline of August 28, 2023, for approximately ninety (90) days through and including November 27, 2023.

This Motion is made and based upon the following Memorandum of Points and Authorities, the concurrently filed declaration of Amanda Demby Swift, the papers, pleadings, and other documents on file with the clerk of the Court, and judicial notice of which is respectfully requested pursuant to Federal Rule of Evidence 201, and such other and further evidence as may be provided at the hearing on the Motion.

MEMORANDUM OF POINTS AND AUTHORITIES

I. JURISDICTION AND VENUE

- 1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Local Rule 1001(b)(1).
 - 2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
 - 3. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
- 4. The statutory predicates for the relief sought herein are Section 105(a), Bankruptcy Rule 9006(b), and Local Rule 3007.1.
- 5. As required by Local Rule 9014.2, the Liquidating Trustee consents to the entry of final orders or judgments by this Court if it is determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

II. BACKGROUND

- 6. On May 24, 2022, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code [ECF No. 1].
- 7. On June 15, 2022, the Debtor filed its Schedule of Assets and Liabilities [ECF No. 137] (the "Schedules"). The Schedules list over 2,900 claims against the Debtor.
- 8. In addition, approximately 1,073 proofs of claim have been filed against the Debtor. The vast majority of these claims were filed by pre-petition members of the Debtor and arise out of money spent for their memberships and/or related member rewards.

- 2
 3

///

- 9. On November 29, 2022, the Court entered an order [ECF No. 556] (the "Conformation Order") confirming the Debtor's *Second Amended Chapter 11 Plan of Reorganization* [ECF No. 405] (together with any and all amendments thereto, all exhibits and schedules thereto and all documents incorporated by reference therein including all supplements, the "Plan") pursuant to which the "Reorganized Debtor" has new ownership and membership as of the effective date of the Plan. The effective date ("Effective Date") of the plan was December 2, 2022 [ECF No. 584].
- 10. Pursuant to the Confirmation Order, the Trust was created to, among other things, oversee and administer general unsecured claims, objections thereto, and ultimately distributions on allowed general unsecured claims. Province, LLC was appointed as the Liquidating Trustee of the Trust.
- 11. Pursuant to the Confirmation Order, the deadline for filing objections to proofs of claim is February 28, 2023 (the "Objection Deadline"). However, the Plan itself provided for a claim objection deadline that was 180 days after the Effective Date (or May 31, 2023). I.e., the Confirmation Order included an incorrect Objection Deadline for filing objections to proofs of claim.
- 12. On February 23, 2023, the Liquidating Trustee filed a motion for entry of an order extending the Objection Deadline to August 28, 2023 [ECF No. 718], which was granted by the Court [ECF No. 816]. Accordingly, the current Objection Deadline is August 28, 2023.
- 13. As of the filing of this Motion, the Liquidating Trustee has filed nine omnibus claim objections [ECF Nos. 691, 695, 700, 709, 711, 713, 832, 833, and 834] since its appointment (and a total of sixteen omnibus objections have been filed to date in this case).
- 14. While the Liquidating Trustee has made significant progress in resolving the disputed claims and believes that the majority of claim objections have been filed, the Liquidating Trustee requires additional time to analyze and address the remaining claims outstanding (and any new or amended claims that may be filed).

III. RELIEF REQUESTED

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

15. The Liquidating Trustee seeks entry of an order extending the Objection Deadline through and including November 27, 2023. The Liquidating Trustee believes an additional ninety (90) day period will allow the Liquidating Trustee and its agents and professionals sufficient time to analyze and address the remaining claims outstanding. The Liquidating Trustee does not believe that it will need to request additional time and hopes to have completed its administration of the Trust by then (though the Motion is without prejudice to the Liquidating Trustee's right to request a further extension of the Objection Deadline).

IV. **BASIS FOR RELIEF**

- A. The Court has Discretion Under the Plan, Bankruptcy Rule 9006, Local Rule 3007.1 and Section 105(a) of the Bankruptcy Code to Extend the Objection **Deadline**
- 16. The Plan, the Bankruptcy Rules, and Local Rules contemplate that an extension of the Objection Deadline may be necessary. Section II.A of the Plan provides, in pertinent part, as follows:
 - **25.** Claims Objection Deadline. One hundred eighty (180) days following the Effective Date, which may be extended by the Bankruptcy Court upon motion of any party in interest for cause.
- 17. Accordingly, the Plan contemplates appropriate extensions of the Objection Deadline "for cause." Bankruptcy Rule 9006(b)(1) provides, in pertinent part, that when an act is required or allowed to be done at or within a specified period by order of court, the court for cause shown may at any time in its discretion, with or without motion or notice, order the period enlarged if the request is made before the expiration of the period originally prescribed or as extended by a previous order. Fed. R. Bankr. P. 9006(b)(1).
- 18. Courts should be liberal in granting extensions of time sought before the period to act has elapsed, as long as the moving party has not been guilty of negligence or bad faith and the privilege of extension has not been abused. 10 Collier on Bankruptcy P 9006.06[2] (16th 2022). As the current Objection Deadline does not expire until August 28, 2023, this Motion is timely filed

23 24 25

26

27 28 within the meaning of Bankruptcy Rule 9006(b). Further, this Motion is filed in good faith as the Liquidating Trustee has been diligently working toward resolution of all proofs of claims as evidenced by the significant progress made in objecting to claims.

- 19. In addition to the specific authority set forth in the Plan and Bankruptcy Rule 9006(b), Local Rule 3007.1 provides that "Unless otherwise extended by court order, all objections to claims in a chapter 11 case must be filed within sixty (60) days after entry of an order confirming the chapter 11 plan." Thus, the Local Rules allow the Objection Deadline to be extended by Court order.
- 20. Finally, the Court has broad discretion to control its schedule and docket. Section 105(a) grants bankruptcy courts broad authority and discretion to take such actions and implement such procedures as are necessary to enforce the provisions of the Bankruptcy Code and/or its orders, including the enlargement of prescribed time periods and deadlines. *See* 11 U.S.C. § 105(a).

B. Sufficient Cause Exists to Extend the Objection Deadline

- 21. In the instant case, the Liquidating Trustee has demonstrated sufficient cause to justify an extension of the Objection Deadline as requested herein.
- 22. As set forth above, a total of approximately 1,073 proofs of claim have been filed in this case, and the vast majority of those claims have been filed by the Debtor's pre-petition members. Many of the Debtor's pre-petition members filed their claims based on the amount of their member rewards, rather than the amount they paid to the Debtor. The Liquidating Trustee does not object to the Debtor's pre-petition members having a claim against the Debtor for the amounts they paid to the Debtor. However, reviewing the proofs of claim compared to the Debtor's records takes a significant amount of time.
- 23. While the Liquidating Trustee and its agents and professionals have made substantial progress towards reconciling the claims filed against the Debtor, the Liquidating Trustee anticipates filing more claim objections and thus requires additional time to complete the claim objection process. An extension of the Objection Deadline will ensure a thorough analysis of each of the claims in this case and will hopefully provide the Liquidating Trustee with sufficient time to resolve all disputed claims.

1	24. For the foregoing reasons, the Liquidating Trustee respectfully requests that the
2	current Objection Deadline be extended through and including November 27, 2023.
3	V. CONCLUSION
4	Based on the foregoing, the Liquidating Trustee respectfully requests that the Court enter an
5	order extending the Objection Deadline through and including November 27, 2023, without
6	prejudice to the Liquidating Trustee's right to request a further extension of the Objection Deadline
7	for cause shown, and to grant such other and further relief as the Court deems just and proper.
8	
9	DATED: August 28, 2023 BG Law LLP
10	
11	By: <u>/s/ Susan K. Seflin</u> Susan K. Seflin
12	Jessica S. Wellington
13	Attorneys for Province, LLC, solely in its capacity as the Liquidating Trustee of the Front Sight Creditors
14	Trust
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	

Case 22-11824-abl Doc 850 Entered 08/28/23 12:28:09 Page 6 of 6