

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re:)	Chapter 11	
)		
PGX HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 23-10718 (CTG)	
)		
Debtors.)	(Jointly Administered)	
)		

DEBTORS’ MOTION FOR ENTRY OF AN ORDER APPROVING PROCEDURES FOR THE SALE, TRANSFER, AND/OR ABANDONMENT OF *DE MINIMIS* ASSETS

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state the following in support of this motion:²

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”), to: (a) sell certain obsolete, excess, burdensome, non-core, or otherwise *de minimis* assets (each, a “*De Minimis Asset*,” and collectively, the “*De Minimis Assets*”) in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price equal to or less than \$150,000, free and clear of all liens, claims, interests, and encumbrances (collectively, the “Liens”), without the need for further Court approval and with such Liens attaching to the proceeds of any such transactions with the same validity,

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Health, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² A detailed description of the Debtors and their business, and the facts and circumstances supporting the Debtors’ chapter 11 cases, are set forth in greater detail in the Declaration of Chad Wallace, Chief Executive Officer of PGX Holdings, Inc., in Support of Chapter 11 Petitions and First Day Motions [Docket No. 12] (the “First Day Declaration”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of the Bankruptcy Code, on June 4, 2023 (the “Petition Date”). Capitalized terms used but not otherwise defined in this motion shall have the meanings ascribed to them in the First Day Declaration.



extent, and priority as had attached to the assets immediately prior to the sale or transfer; (b) abandon *De Minimis* Assets that the Debtors believe in their sound business judgment have an aggregate value less than or equal to \$50,000; and (c) pay those reasonable and necessary fees and expenses incurred in connection with the sale or abandonment of *De Minimis* Assets, including, but not limited to, commission fees to agents, brokers, auctioneers, and liquidators, with such professionals filing a Sale Professional Declaration (as defined herein) and with the amount of proposed commission fees to be paid to be disclosed in the Sale Notice (as defined herein).

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are sections 105(a), 363, and 554 of the Bankruptcy Code and Bankruptcy Rules 6004 and 6007.

The *De Minimis* Assets

5. As part of their operations, the Debtors own and lease various assets associated with their operations. In the ordinary course of their operations, the Debtors routinely enter into

transactions to sell or transfer assets that no longer have any value to the Debtors' business. The Debtors are in the process of identifying certain *De Minimis* Assets to sell, transfer, or abandon.

6. Periodic sales of *De Minimis* Assets are a necessary element of the Debtors' restructuring and will benefit the Debtors' estates. The Debtors request authority to conduct such sales of *De Minimis* Assets (the "*De Minimis* Asset Sales") in these chapter 11 cases. Conducting the sale of *De Minimis* Assets will streamline the Debtors' restructuring by eliminating the cost of maintaining nonessential property and generating additional cash, which will be used to administer these chapter 11 cases or be ultimately distributed to the Debtors' creditors. Given the small monetary value of such *De Minimis* Assets in relation to the Debtors' overall operations, it would be inefficient and costly to seek court approval every time the Debtors have an opportunity to sell such *De Minimis* Assets.

7. Thus, the Debtors submit that the establishment of the procedures set forth herein is desirable and in the best interests of the Debtors' estates, their creditors, and other parties in interest in these chapter 11 cases (such procedures, as described below, the "*De Minimis* Asset Sale Procedures"). These procedures will conserve the Debtors' resources, promote an efficient administration of these chapter 11 cases, and make cost-effective the Debtors' *De Minimis* Asset Sales.

8. Although the Debtors intend to sell the *De Minimis* Assets where possible, it is also possible that certain *De Minimis* Assets that no longer benefit the Debtors' estates may not be able to be sold. In such instances, the Debtors believe that a process to abandon such assets should also be established, where, in the exercise of their reasonable business judgment, the Debtors determine such assets cannot be sold or that the cost of continuing to maintain, relocate, and store such

De Minimis Assets outweigh any potential recovery from a future sale (such procedures, as described below, the “*De Minimis* Asset Abandonment Procedures”).

9. Furthermore, any broker, auctioneer, appraiser, or agent that will receive compensation for disposing of *De Minimis* Assets (a “Sale Professional”) must fill out a verified statement, substantially in the form attached to the Order as Exhibit 1, that identifies, among other things, the Sale Professional and the amount of the Sale Professional’s compensation (the “Sale Professional Declaration”).

The *De Minimis* Asset Sale and Abandonment Procedures

I. The *De Minimis* Asset Sale Procedures.

10. The Debtors propose to use the following *De Minimis* Asset Sale Procedures:

- a. With regard to sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price³ less than or equal to \$75,000:
 - i. the Debtors are authorized to consummate such transactions if the Debtors determine in their reasonable exercise of business judgment that such sales are in the best interest of their estates, without further order of the Court or notice to any party; *provided, however*, that if such transaction is with an affiliate or subsidiary of the Debtors, then notice must be provided pursuant to the notice provisions of subparagraph (b) herein; and
 - ii. any such transactions will be deemed final and fully authorized by the Court and free and clear of Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction.
- b. With regard to the sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price greater than \$75,000 and less than or equal to \$150,000:
 - i. the Debtors are authorized to consummate such transactions if the Debtors determine in the reasonable exercise of their business

³ For purposes of these *De Minimis* Asset Sale Procedures, sale price will refer to the Debtors’ good-faith estimate of the net proceeds of any sale transaction.

judgment that such sales are in the best interest of their estates, without further order of the Court, subject to the procedures set forth herein;

- ii. any such transactions will be free and clear of all Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction;
- iii. the Debtors will, at least five business days prior to closing such sale or effectuating such transfer, give written notice of such sale or transfer (each notice, a “Sale Notice”) to: (a) the Office of The United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Jane Leamy (jane.leafy@usdoj.gov); (b) counsel for the Prepetition First Lien Lenders and DIP Lenders, (i) King & Spalding LLP, 1185 Avenue of the Americas, New York, New York 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com), Geoffrey Michael King (gking&kslaw.com), and Michelle Muscara (mmuscara@kslaw.com)); and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisnichols.com)); (c) counsel for the Prepetition Second Lien Agent and the Prepetition Second Lien Lenders, (A) Proskauer Rose LLP, 11 Times Square, New York, New York, 10036 (Attn: David M. Hillman and Libbie B. Osaben) and (B) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801 (Attn.: Robert J. Dehney; and (d) counsel to the Official Committee of Unsecured Creditors, (i) Arent Fox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor New York, New York 10019 (Attn: Andrew I. Silfen (andrew.silfen@afslaw.com) and Beth M. Brownstein (beth.brownstein@afslaw.com)) and 800 Boylston Street, 32nd Floor Boston, Massachusetts 02199 (Attn: Justin A. Kesselman (justin.kesselman@afslaw.com)) and (ii) Morris James LLP, 500 Delaware Avenue, Suite 1500 Wilmington, Delaware 19801 (Attn: Eric J. Monzo (emonzo@morrisjames.com), Brya M. Keilson (bkeilson@morrisjames.com), and Jason S. Levin (jlevin@morrisjames.com)) (each a “Notice Party”, and, collectively “Notice Parties”);
- iv. the content of the notice sent to the Notice Parties for the sale of *De Minimis* Assets will consist of: (a) identification of the *De Minimis* Assets being sold or transferred; (b) identification of the purchaser of the assets, if known; (c) the purchase price; (d) the

marketing or sales process; (e) if applicable, a Sale Professional Declaration; and (f) any other material terms of the sale or transfer;⁴

- v. if no written objections are filed by the Notice Parties within three business days of service of such Sale Notice, the Debtors are authorized to consummate such transaction immediately;
- vi. if a written objection is received from a Notice Party within such three-business-day period that cannot be resolved, the relevant *De Minimis* Assets will only be sold upon withdrawal of such written objection or further order of the Court; and
- vii. good-faith purchasers of assets pursuant to these *De Minimis* Asset Sale Procedures will be entitled to the protections of section 363(m) of the Bankruptcy Code.

II. The *De Minimis* Asset Abandonment Procedures.

8. The Debtors propose to use the following *De Minimis* Asset Abandonment Procedures:

- a. With regard to the abandonment or scrapping of *De Minimis* Assets that the Debtors believe in their sound business judgment have an aggregate value less than or equal to \$25,000:
 - i. the Debtors are authorized to abandon or scrap such *De Minimis* Assets if the Debtors determine in the reasonable exercise of their business judgment that such abandonment or scrapping is in the best interest of the estates, without further order of the Court or notice to any party; *provided, however*, that, to the extent the Debtors propose to abandon personal property that may contain personal and/or confidential information about the Debtors' employees and/or customers (the "Confidential Information"), the Debtors shall remove the Confidential Information from such items before abandonment.
- b. With regard to the abandonment or scrapping of *De Minimis* Assets that the Debtors believe in their sound business judgment have an aggregate value greater than \$25,000 and less than or equal to \$50,000:

⁴ This information may be provided in summary form or by attaching the applicable contract or contracts to the Sale Notice.

- i. the Debtors will, at least five business days prior to the abandonment, give written notice of such abandonment (each notice, an “Abandonment Notice”) to the Notice Parties;⁵
- ii. the Abandonment Notice will: (a) contain a description in reasonable detail of the *De Minimis* Assets to be abandoned or scrapping, as applicable; (b) set forth the Debtors’ reasons for such abandonment or scrapping, as applicable; and (c) identify the entity to whom the *De Minimis* Assets are being abandoned (if any);
- iii. if no Notice Party objects to an abandonment or scrapping in writing within three business days of service of such Abandonment Notice, the Debtors may immediately proceed with the abandonment or scrapping, as applicable; *provided, however*, that, to the extent the Debtors propose to abandon personal property that may contain Confidential Information, the Debtors shall remove the Confidential Information from such items before abandonment; and
- iv. if an objection is timely received, and cannot be resolved consensually, then such *De Minimis* Asset will not be abandoned or scrapped except upon further order of the Court after notice and a hearing.

Basis for Relief

I. The *De Minimis* Asset Procedures Are Appropriate under Section 363(b).

11. Section 363(b)(1) of the Bankruptcy Code provides that “[t]he trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” Although section 363 of the Bankruptcy Code does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, bankruptcy courts routinely authorize sales of a debtor’s assets if such sale is based upon the sound business judgment of the debtor. *See, e.g., Meyers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *In re Del.*

⁵ Because all parties affected by the abandonment of *De Minimis* Assets would be notified of the abandonment, the Debtors submit that notice to the Notice Parties is adequate and appropriate under the circumstances.

& *Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del.1991); *In re Trans World Airlines, Inc.*, No. 01-00056, 2001 Bankr. LEXIS 980, at *29 (Bankr. D. Del. Apr. 2, 2001).

12. The Debtors currently possess (and may identify in the future) certain *De Minimis* Assets that they want to sell or transfer because such assets are no longer necessary or beneficial, relative to the costs to maintain such assets, to the estates. To defray any operational, carrying, or storage expenses associated with these assets, the Debtors have determined in their business judgment that it is in the best interests of the estates to sell or transfer the *De Minimis* Assets. To that end, the Debtors have proposed the *De Minimis* Asset Sale Procedures, whereby they can consummate the sale(s) or effectuate the transfer(s) of *De Minimis* Assets during the pendency of these chapter 11 cases. Under these proposed procedures, parties with an interest in the *De Minimis* Assets are sufficiently protected by the opportunity to object to and be heard at a hearing on the proposed *De Minimis* Asset Sale.

II. The *De Minimis* Asset Procedures Are Appropriate under Section 363(f).

13. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party's interest in the property if: (a) applicable non-bankruptcy law permits such a "free and clear" sale; (b) the holder of the interest consents; (c) the interest is a lien and the sales price of the property exceeds the value of all liens on the property; (d) the interest is in bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest.

14. The Debtors propose to sell or transfer the *De Minimis* Assets in a commercially reasonable manner and expect that the value of the proceeds from such sales or transfers will fairly reflect the value of the *De Minimis* Assets proposed to be sold. The Debtors further propose that any party holding a Lien on the *De Minimis* Assets sold or transferred pursuant to this motion shall have a resulting security interest (in the same order of priority, with the same validity, force,

and effect that such Lien-holder had prior to the sale, subject to any claims and defenses the Debtors may possess with respect thereto) in the proceeds of such sale or transfer. Moreover, the Debtors propose that the absence of any objection to the entry of the order approving this motion, along with the absence of any timely objection under the *De Minimis* Asset Sale Procedures, in each case following the provision of notice, be deemed “consent” to any sales or transfers pursuant to the Order within the meaning of section 363(f)(2) of the Bankruptcy Code. As such, the requirements of section 363(f) of the Bankruptcy Code would be satisfied for any proposed *De Minimis* Assets free and clear of liens, encumbrances, and other interests.

III. The *De Minimis* Asset Abandonment Procedures Are Appropriate under Section 554(a).

15. Section 554(a) of the Bankruptcy Code provides that “[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” The Debtors expect to take such commercially reasonable steps under the circumstances to sell *De Minimis* Assets not needed in their operations. The costs associated with selling and continuing to maintain certain *De Minimis* Assets, however, may exceed any possible proceeds thereof. The inability to consummate a commercially reasonable sale of *De Minimis* Assets would indicate that these *De Minimis* Assets have no meaningful monetary value to the Debtors’ estates. Further, the costs of storing and maintaining *De Minimis* Assets may burden the Debtors’ estates. Accordingly, the Debtors contend that, in such circumstances, the abandonment or scrapping of *De Minimis* Assets pursuant to the *De Minimis* Asset Abandonment Procedures is in the best interests of the Debtors’ estates.

16. In light of the demonstrable benefits of streamlined procedures to sell, transfer, or abandon *De Minimis* Assets, courts in this district have approved similar procedures in other chapter 11 cases. *See, e.g., In re ONE Aviation Corp.*, No. 18-12309 (CSS) (Bankr. D. Del. Dec.

3, 2018) (approving *de minimis* sale procedures of assets up to \$100,000); *In re Gibson Brands, Inc.*, No. 18-11025 (CSS) (Bankr. D. Del. Jun. 11, 2018) (approving *de minimis* sale procedures of assets up to \$300,000); *In re Maxus Energy Corp.*, No. 16-11501 (CSS) (Bankr. D. Del. Apr. 5, 2017) (approving *de minimis* sale procedures for sale of assets up to \$500,000); *In re Aquion Energy, Inc.*, No. 17-10500 (KJC) (Bankr. D. Del. Mar. 21, 2017) (approving *de minimis* sale procedures for sale of assets up to \$300,000); *In re Malibu Lighting Corp.*, No. 15-12080 (KG) (Bankr. D. Del. Apr. 4, 2016) (approving *de minimis* sale procedures for sale of assets up to \$250,000); *In re Mineral Park, Inc.*, No. 14-1196 (KG) (Bankr. D. Del. Sept. 23, 2014) (approving *de minimis* sale procedures for sale of assets of up to \$500,000); *In re Exide Techs.*, No. 13-11482 (KJC) (Bankr. D. Del. Aug. 19, 2013) (approving *de minimis* sale procedures for sale of assets up to \$1,000,000).⁶

17. For the foregoing reasons, the Debtors believe that granting the relief requested herein is appropriate and in the best interests of the estates and creditors.

NOTICE

18. The Debtors will provide notice of this motion to: (a) the U.S. Trustee; (b) counsel to the Committee; (c) the office of the attorney general for each of the states in which the Debtors operate; (d) the Consumer Financial Protection Bureau; (e) the United States Attorney's Office for the District of Delaware; (f) the Internal Revenue Service; (g) the United States Securities and Exchange Commission; (h) the United States Department of Justice; (i) the DIP Agent and counsel thereto; (j) First Lien Credit Agreement Agent and counsel thereto; (k) the Second Lien Credit Agreement Agent and counsel thereto; and (l) any party that has requested notice pursuant to

⁶ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

Bankruptcy Rule 2002 (the “Notice Parties”). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

19. No prior request for the relief sought in this motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request entry of the Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as is just and proper.

Dated: July 7, 2023
Wilmington, Delaware

/s/ Michael W. Yurkewicz

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*Proposed Co-Counsel to the Debtors and Debtors
in Possession*

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Possession*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>PGX HOLDINGS, INC., <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 23-10718 (CTG)</p> <p>(Jointly Administered)</p> <p>Objections Due: July 14, 2023 at 4:00 p.m. (ET)</p> <p>Hearing Date: July 21, 2023 at 10:00 a.m. (ET)</p>
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**NOTICE OF DEBTORS’ MOTION FOR ENTRY
OF AN ORDER APPROVING PROCEDURES FOR THE SALE,
TRANSFER, AND/OR ABANDONMENT OF DE MINIMIS ASSETS**

PLEASE TAKE NOTICE THAT on July 7, 2023, the above-captioned debtors and debtors-in-possession (the “Debtors”), filed the *Debtors’ Motion for Entry of an Order Approving Procedures for the Sale, Transfer, and/or Abandonment of De Minimis Assets* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (“Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that any responses to the Motion must be in writing and filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Third Floor, Wilmington, Delaware 19801, and served upon the following: (a) counsel for the Debtors, (i) Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 (Attn: Spencer Winters (spencer.winters@kirkland.com); Whitney Fogelberg (whitney.fogelberg@kirkland.com); and Alison J. Wirtz (alison.wirtz@kirkland.com)) and (ii)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, DE 19801 (Attn: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com)); (b) counsel for the Prepetition First Lien Lenders and DIP Lenders, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey Michael King, Esq. (gking&kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com); and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisonichols.com)); so as to be received **on or before 4:00 p.m. on July 14, 2023.**

PLEASE TAKE FURTHER NOTICE that if you fail to respond in accordance with this Notice, the Court may grant the relief demanded by the Motion without further notice or hearing.

PLEASE TAKE FURTHER NOTICE that if an objection is properly filed and served in accordance with the above procedure, a hearing will be held on **July 21, 2023 at 10:00 a.m.** before the Honorable Chief Judge Craig T. Goldblatt, United States Bankruptcy Judge for the District Of Delaware, 824 North Market Street, 3rd Floor, Court Room #7, Wilmington, Delaware 19801. Only objections made in writing and timely filed will be considered by the Bankruptcy Court at such hearing only objections made in writing and timely filed will be considered by the Bankruptcy Court at such hearing.

Dated: July 7, 2023
Wilmington, Delaware

/s/ Michael W. Yurkewicz

**KLEHR HARRISON HARVEY
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*Proposed Co-Counsel to the Debtors and Debtors
in Possession*

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re:)	Chapter 11
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PGX HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 23-10718 (CTG)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket No. _____

**ORDER APPROVING PROCEDURES FOR THE
SALE, TRANSFER, AND/OR ABANDONMENT OF *DE MINIMIS* ASSETS**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”), authorizing and approving procedures for the sale, transfer, and/or abandonment of *De Minimis* Assets, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Health, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized to sell or transfer *De Minimis* Assets without further order of the Court in accordance with the following *De Minimis* Asset Sale Procedures:

- a. With regard to sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price³ less than or equal to \$75,000:
 - i. the Debtors are authorized to consummate such transactions if the Debtors determine in their reasonable exercise of business judgment that such sales are in the best interest of their estates, without further order of the Court or notice to any party; *provided, however*, that if such transaction is with an affiliate or subsidiary of the Debtors, then notice must be provided pursuant to the notice provisions of subparagraph (b) herein; and
 - ii. any such transactions will be deemed final and fully authorized by the Court and free and clear of Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction.
- b. With regard to the sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price greater than \$75,000 and less than or equal to \$150,000:

³ For purposes of these *De Minimis* Asset Sale Procedures, sale price will refer to the Debtors' good-faith estimate of the net proceeds of any sale transaction.

- i. the Debtors are authorized to consummate such transactions if the Debtors determine in the reasonable exercise of their business judgment that such sales are in the best interest of their estates, without further order of the Court, subject to the procedures set forth herein;
- ii. any such transactions will be free and clear of all Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction;
- iii. the Debtors will, at least five business days prior to closing such sale or effectuating such transfer, give written notice of such sale or transfer (each notice, a “Sale Notice”) to: (a) the Office of The United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Jane Leamy (jane.leafy@usdoj.gov); (b) counsel for the Prepetition First Lien Lenders and DIP Lenders, (i) King & Spalding LLP, 1185 Avenue of the Americas, New York, New York 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com), Geoffrey Michael King (gking&kslaw.com), and Michelle Muscara (mmuscara@kslaw.com)); and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisonichols.com)); (c) counsel for the Prepetition Second Lien Agent and the Prepetition Second Lien Lenders, (A) Proskauer Rose LLP, 11 Times Square, New York, New York, 10036 (Attn: David M. Hillman and Libbie B. Osaben) and (B) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801 (Attn.: Robert J. Dehney; and (d) counsel to the Official Committee of Unsecured Creditors, (i) Arent Fox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor New York, New York 10019 (Attn: Andrew I. Silfen (andrew.silfen@afslaw.com) and Beth M. Brownstein (beth.brownstein@afslaw.com)) and 800 Boylston Street, 32nd Floor Boston, Massachusetts 02199 (Attn: Justin A. Kesselman (justin.kesselman@afslaw.com)) and (ii) Morris James LLP, 500 Delaware Avenue, Suite 1500 Wilmington, Delaware 19801 (Attn: Eric J. Monzo (emonzo@morrisonames.com), Brya M. Keilson (bkeilson@morrisonames.com), and Jason S. Levin (jlevin@morrisonames.com)) (each a “Notice Party”, and, collectively “Notice Parties”);
- iv. the content of the notice sent to the Notice Parties for the sale of *De Minimis* Assets will consist of: (a) identification of the *De Minimis* Assets being sold or transferred; (b) identification of the purchaser of the assets, if known; (c) the purchase price; (d) the marketing or

sales process; (e) if applicable, a Sale Professional Declaration; and (f) any other significant terms of the sale or transfer;⁴

- v. if no written objections are filed by the Notice Parties within three business days of service of such Sale Notice, the Debtors are authorized to consummate such transaction immediately;
- vi. if a written objection is received from a Notice Party within such three-business-day period that cannot be resolved, the relevant *De Minimis* Assets will only be sold upon withdrawal of such written objection or further order of the Court; and
- vii. good-faith purchasers of assets pursuant to these *De Minimis* Asset Sale Procedures will be entitled to the protections of section 363(m) of the Bankruptcy Code.

3. Sales and transfers of *De Minimis* Assets are free and clear of all Liens, with such Liens attaching to the proceeds of such sale or transfer with the same validity, extent, and priority as had attached to such *De Minimis* Assets immediately prior to such sale or transfer.

4. Purchasers and transferees of *De Minimis* Assets are entitled to the protections afforded to good-faith purchasers under section 363(m) of the Bankruptcy Code.

5. The Debtors are authorized pursuant to section 554(a) of the Bankruptcy Code to abandon *De Minimis* Assets without further order of the Court. Any such abandonment of *De Minimis* Assets will be in accordance with the following *De Minimis* Asset Abandonment Procedures:

- a. With regard to the abandonment or scrapping of *De Minimis* Assets that the Debtors believe in their sound business judgment have an aggregate value less than or equal to \$25,000:
 - i. the Debtors are authorized to abandon or scrap such *De Minimis* Assets if the Debtors determine in the reasonable exercise of their business judgment that such abandonment or scrapping is in the best interest of the estates, without further order of the Court or notice to any party; *provided, however*, that, to the extent the Debtors propose to abandon personal property that may contain personal and/or

⁴ This information may be provided in summary form or by attaching the applicable contract or contracts to the Sale Notice.

confidential information about the Debtors' employees and/or customer (the "Confidential Information"), the Debtors shall remove the Confidential Information from such items before abandonment.

- b. With regard to the abandonment or scrapping of *De Minimis* Assets that the Debtors believe in their sound business judgment have an aggregate value greater than \$25,000 and less than or equal to \$50,000:
 - i. the Debtors will, at least five business days prior to the abandonment, give written notice of such abandonment (each notice, an "Abandonment Notice") to the Notice Parties;
 - ii. the Abandonment Notice will: (a) contain a description in reasonable detail of the *De Minimis* Assets to be abandoned or scrapping, as applicable; (b) set forth the Debtors' reasons for such abandonment or scrapping, as applicable; and (c) identify the entity to whom the *De Minimis* Assets are being abandoned (if any);
 - iii. if no Notice Party objects to an abandonment or scrapping in writing within three business days of service of such Abandonment Notice, the Debtors may immediately proceed with the abandonment or scrapping, as applicable; *provided, however*, that, to the extent the Debtors propose to abandon personal property that may contain Confidential Information, the Debtors shall remove the Confidential Information from such items before abandonment; and
 - iv. if an objection is timely received, and cannot be resolved consensually, then such *De Minimis* Asset will not be abandoned or scrapped except upon further order of the Court after notice and a hearing.

6. Service of the Sale Notice or the Abandonment Notice, as applicable, is sufficient notice of the sale, transfer, scrapping, or abandonment of such *De Minimis* Assets.

7. With respect to all sale transactions consummated pursuant to this Order, this Order is sufficient evidence of the transfer of title to any particular buyer, and the sale transactions consummated pursuant to this Order will be binding upon and will govern the acts of all persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the property sold pursuant to

this Order, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, administrative agencies, governmental departments, secretaries of state and federal, state, and local officials.

8. The Debtors are authorized to pay those necessary fees and expenses incurred in connection with the sale, transfer, scrapping, or abandonment of *De Minimis* Assets, including commission fees to agents, brokers, auctioneers, and liquidators; *provided, however*, that any Sale Professional must fill out a verified statement, substantially in the form attached hereto as **Exhibit 1**, to be included in the applicable Sale Notice or Abandonment Notice.

9. Nothing contained herein prejudices the rights of the Debtors to seek authorization for the sale of any asset under section 363 of the Bankruptcy Code.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

11. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

12. The Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

EXHIBIT 1

Form of Sale Professional Declaration

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:)
PGX HOLDINGS, INC., et al.,1)
Debtors.)
Re: Docket No. _____

VERIFIED STATEMENT PURSUANT TO BANKRUPTCY RULE 2014

I, [NAME], declare under penalty of perjury:

1. I am a [POSITION] of [COMPANY], located at [STREET, CITY, STATE, ZIP CODE] (the "Company").

2. The above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), have requested that the Company provide [SPECIFIC DESCRIPTION] services to the Debtors in connection with the sale of [DESCRIPTION OF ASSETS] (the "Assets"), and the Company has consented to provide such services.

3. Following a successful sale of the Assets, the Company shall receive the following compensation (the "Compensation") in exchange for its services: [DESCRIPTION OF COMPENSATION].

4. The Company may have performed services in the past, may currently perform services, and may perform services in the future in matters unrelated to these chapter 11 cases for persons that are parties in interest in the Debtors' chapter 11 cases. The Company, however, does

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not perform services for any such person in connection with these chapter 11 cases, or have any relationship with any such person, their attorneys, or accountants that would be adverse to the Debtors or their estates.

5. Neither I nor any principal, partner, director, officer, etc. of, or professional employed by, the Company has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Company.

6. Neither I nor any principal, partner, director, officer, of, or professional employed by, the Company, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which the Company is to be employed.

7. The Company is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Company should discover any facts bearing on the matters described herein, the Company will supplement the information contained in this Declaration.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Date: _____, 2019

[DECLARANT'S NAME]