

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
)	
PGX HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 23-10718 (CTG)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket No. 136

**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, file with the Court a notice of the sale or transfer and 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; (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@morrismjames.com), Brya M. Keilson (bkeilson@morrismjames.com), and Jason S. Levin (jlevin@morrismjames.com)); and (e) all persons/entities known to the Debtors to have or have asserted a lien on, or security interest in, any portion of the assets being sold (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

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

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 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.



CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE

Dated: July 19th, 2023
Wilmington, Delaware

EXHIBIT 1

Form of Sale Professional Declaration

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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