

(the “Bankruptcy Rules”), and rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to certain of the following types of Claims (a) claims that fail to attach sufficient documentation to substantiate the asserted status and/or amount (the “Insufficient Documentation Claims”); (b) claims asserted by former employees that fail to attach sufficient documentation to substantiate the asserted status and/or amount (the “Insufficient Documentation – Employee Claims”); and (c) claims that asserted by members of a WARN class that will be administered pursuant to the Debtors’ settlement with the class (the “WARN Class Claims,” together with the Insufficient Documentation Claims and Insufficient Documentation – Employee Claims, the “Disputed Claims”) listed on **Schedule 1** through **Schedule 3** annexed to the proposed order attached hereto as **Exhibit A** (the “Proposed Order”). For the reasons set forth herein, the Debtors seek entry of the Proposed Order disallowing and/or modifying the Disputed Claims.

In support of this objection, the Plan Administrator submits the Declaration of Richard Niemerg (the “Niemerg Declaration,” a copy of which is attached hereto as **Exhibit B** and incorporated herein by reference), and respectfully represents as follows:

JURISDICTION

1. 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. Plan Administrator confirms his consent, pursuant to Local Rule 9013-1(f), 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.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. The statutory predicates for the relief requested herein are sections 501 and 502 of the Bankruptcy Code.

RELIEF REQUESTED

4. For the reasons set forth in more detail below, and based on his review, the Plan Administrator has determined that the Disputed Claims filed in these cases are objectionable on substantive grounds and requests that they be modified or expunged as set forth on **Schedule 1** through **Schedule 3** to the Proposed Order.

BACKGROUND

5. On June 4, 2023 (the "Petition Date"), the Debtors filed with the Court voluntary petitions for relief under the Bankruptcy Code. During the pendency of their chapter 11 cases, the Debtors operated their business and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. On July 19, 2023, the Court entered an *Order (A) Establishing Bar Dates for Filing Proofs of Claim, Including Claims Under 11 U.S.C. § 503(B)(9) and Administrative Expense Requests; (B) Approving the Form and Manner for Filing Proofs of Claim and Administrative Expense Requests; (C) Approving Notice Thereof; and (D) Granting Related Relief* [Docket No. 194] (the "Bar Date Order"), establishing, among other things, September 7, 2023 as the deadline for all non-governmental entities to file Proofs of Claim.

7. On December 26, 2023, the Court entered the *Findings of Fact, Conclusions of Law, and Order Approving the Debtors' Disclosure Statement for, and Confirming the Second Amended Joint Chapter 11 Plan of PGX Holdings, Inc., and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 681] (the "Confirmation Order") that confirmed

the *Second Amended Joint Plan of PGX Holdings, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 570] (the “Plan”). On December 26, 2023, the Effective Date of the Plan occurred. The Plan designated Mark A. Roberts of Alvarez & Marsal North America, LLC as the Plan Administrator. Under the Plan, the Plan Administrator is authorized to administer claims on the Debtors’ behalf.

8. On August 25, 2023, the Court entered orders [Docket No. 422 and 423] (together, the “Sale Orders”) approving (i) the Debtors’ entry into and performance under each of the Stalking Horse Agreements and authorizing the sale of substantially all of the Debtors’ assets free and clear of all liens, claims, interest, and encumbrances and (ii) the assumption by the Debtors and the assignment and sale to the Progrexion Purchaser or Lexington Law Purchaser (as applicable, the “Purchaser”) of executory contracts and unexpired leases to be designated by the Purchaser as “Assumed Contracts” pursuant to the Sale Orders, the Progrexion APA, the Lexington Law APA, and sections 363 and 365 of the Bankruptcy Code, subject to, and effective as of, the closing of the Sale Transactions (the date of the closing being the “Closing Date”). The Closing Date occurred on September 28, 2023.

9. On June 5, 2023, Kristen Hansen (the “WARN Plaintiff”), on behalf of herself and others similarly situated, filed a Class Action Adversary Proceeding Complaint against the Debtors in this Court for alleged violations of the Worker Adjustment and Retraining Notification Act [Adv. Pro. No. 23-50396] (the “WARN Action”). Through the Confirmation Order, the Debtors and the WARN Plaintiff settled the WARN Action (the “WARN Settlement”). The WARN Settlement binds the WARN Plaintiff and all members of the class covered by the WARN Action (the “WARN Class”). Members of the WARN Class will receive distribution from funds that have already been paid by the Debtors to the administrator of the WARN Class.

10. In the ordinary course of business, the Debtors maintained books and records (the “Books and Records”) that reflect, among other things, the Debtors’ liabilities and the amounts owed to their creditors. The Plan Administrator and his advisors (collectively, the “Reviewing Parties”), have commenced a review of the Proofs of Claim filed in these cases, including any supporting documentation filed therewith and a comparison of these documents with the Books and Records to determine the validity of the Proofs of Claims. For the reasons set forth in more detail below, and based on this review, the Reviewing Parties have determined that the Disputed Claims filed in these cases are objectionable on substantive grounds.

OBJECTION

11. Section 502(a) of the Bankruptcy Code provides that “[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). The burden of proof for determining the validity of claims rests on different parties at different stages of the objection process. As explained by the United States Court of Appeals for the Third Circuit:

The burden of proof for claims brought in bankruptcy court under 11 U.S.C. § 502(a) rests on different parties at different times. Initially, the claimant must allege facts sufficient to support the claim. If the averments in his filed claim meet this standard of sufficiency, it is ‘*prima facie*’ valid. [citations omitted]. In other words, a claim that alleges facts sufficient to support legal liability to the claimant satisfies the claimants’ initial obligation to go forward. The burden of going forward then shifts to the objector to produce evidence sufficient to negate the *prima facie* validity of the filed claim . . . In practice, the objector must produce evidence which, if believed, would refute at least one of the allegations that is essential to the claim’s legal sufficiency. If the objector produces sufficient evidence to negate one or more of the sworn facts in the proof of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence.

In re Allegheny Int'l Inc., 954 F.2d 167, 173-74 (3d. Cir. 1992) (citation omitted). Once the prima facie validity of a claim is rebutted, “it is for the claimant to prove his claim, not for the objector to disprove it.” *In re Kahn*, 114 B.R. 40, 44 (Bankr. S.D.N.Y. 1990) (citations omitted).

12. A chapter 11 debtor has the duty to object to the allowance of any Claim that is improper. 11 U.S.C. §§ 704(a)(5), 1106(a)(1) and 1107(a); *see also Int'l Yacht & Tennis, Inc. v. Wasserman Tennis, Inc. (In re Int'l Yacht & Tennis, Inc.)*, 922 F.2d 659, 661-62 (11th Cir. 1991).

13. By this objection, the Plan Administrator requests that the Court enter an order, pursuant to sections 105(a) and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, disallowing or modifying the Disputed Claims identified on **Schedule 1** through **Schedule 3** to the Proposed Order for the reasons set forth below and in the manner indicated thereon.

A. Insufficient Documentation Claims

14. As a result of its Books and Records review, the Reviewing Parties have identified certain Proofs of Claim that are not supported by sufficient documentation and a diligent and reasonable search of the Debtors' Books and Records does not indicate any liability on account of such Claims. Under section 502 of the Bankruptcy Code, a claimant bears the initial burden of proof for a claim and must allege facts sufficient to support the claim. *See* 11 U.S.C. § 502 (a); *see also, DeRose v. Chiro Plus, Inc. (In re Chiro Plus, Inc.)*, 339 B.R.111, 113 (D. N.J. 2006) (“The claimant bears the initial burden of sufficiently alleging the claim and establishing facts to support a legal liability”); *In re Allegheny Int'l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992) (the initial burden is on the Claimant to “allege facts sufficient to support the claim”). Bankruptcy Rule 3001(c) requires that when a claim is based on a writing, the writing must be attached to the proof of claim. Fed. R. Bankr. P. 3001(c). When a claimant fails to provide this required documentation,

the court will not accord the claim its prima facie validity. *See In re Stoecker*, 5 F.3d 1022, 1028 (7th Cir. 1993). Further, “a creditor that fails to comply with Rule 3001(c) does not receive the benefit of this prima facie validity, and instead, in response to an objection must come forward with sufficient evidence of a claim’s validity and amount.” *In re Moreno*, 341 B.R. 813, 817 (Bankr. S.D. Fla. 2006); *In re Burkett*, 329 B.R. 820, 827 (Bankr S.D. Ohio 2005). In other words, once the prima facie claim is rebutted “it is for the claimant to prove his claim, not for the objector to disprove it.” *In re Kahn*, 114 B.R. 40, 44 (Bankr. S.D.N.Y. 1990) (citations omitted).

15. The Reviewing Parties have been unable to reconcile the Insufficient Documentation Claims with the Debtors’ Books and Records as many of the Proofs of Claim filed in connection with the Insufficient Documentation Claims lack sufficient documentation, which would afford the Reviewing Parties some means by which to investigate or verify whether the liabilities asserted by these Claimants are actual obligations of the Debtors. After a reasonable review of the documentation submitted with the Insufficient Documentation Claims and the Books and Records, the Reviewing Parties have been unable to identify any legitimate basis for liability.

16. The Insufficient Documentation Claims listed on **Schedule 1** are the Claims that the Reviewing Parties believe were filed without sufficient supporting documentation. In a manner consistent with Local Rule 3001-1(e)(iii), for each Claimant, the Insufficient Documentation Claims appear in Rows with the following labels: (1) Name; (2) Date Filed; (3) Case #; (4) Debtor; (5) Claim #; (6) Claim Amount. Additionally, each row contains a reason for proposed modification of the claim. Accordingly, the Plan Administrator seeks entry of the Proposed Order expunging these Claims as set forth on **Schedule 1**.

B. Insufficient Documentation – Employee Claims

17. As a result of its Books and Records review, the Reviewing Parties have identified certain Proofs of Claim were filed by former employee that are not supported by sufficient documentation and a diligent and reasonable search of the Debtors' Books and Records does not indicate any liability on account of such Claims. Under section 502 of the Bankruptcy Code, as with the Insufficient Documentation Claims, the claimant bears the initial burden of proof for a claim and must allege facts sufficient to support the claim.

18. The Reviewing Parties have been unable to reconcile the Insufficient Documentation - Employee Claims with the Debtors' Books and Records as many of the Proofs of Claim filed in connection with the Insufficient Documentation - Employee Claims lack sufficient documentation, which would afford the Reviewing Parties some means by which to investigate or verify whether the liabilities asserted by these Claimants are actual obligations of the Debtors. After a reasonable review of the documentation submitted with the Insufficient Documentation – Employee Claims and the Books and Records, the Reviewing Parties have been unable to identify any legitimate basis for liability.

19. The Insufficient Documentation – Employee Claims listed on **Schedule 2** are the Claims that the Reviewing Parties believe were filed without sufficient supporting documentation. In a manner consistent with Local Rule 3001-1(e)(iii), for each Claimant, the Insufficient Documentation – Employee Claims appear in Rows with the following labels: (1) Name; (2) Date Filed; (3) Case #; (4) Debtor; (5) Claim #; (6) Claim Amount. Additionally, each row contains a reason for proposed modification of the claim. Accordingly, the Plan Administrator seeks entry of the Proposed Order expunging these Claims as set forth on **Schedule 2**.

C. WARN Class Claims

20. As a result of their Books and Records review, the Reviewing Parties have identified certain Proofs of Claim listed on **Schedule 3** that can be characterized as “WARN Class Claims”) – Claims that are asserted by members of the WARN Class for liabilities asserted in the WARN Action. The holders of the WARN Class Claims will receive a distribution on account of their claims through the WARN Settlement. The failure to disallow the WARN Class Claims would potentially result in such claimants receiving multiple recoveries on account of the same liability. The Disallowance of the WARN Class Claims will enable the claims register to reflect more accurately the claims asserted against the Debtors. Accordingly, the Plan Administrator objects to the allowance of the WARN Class Claims and requests that such claims be disallowed.

21. The WARN Class Claims listed on **Schedule 3** are the WARN Class Claims that the Reviewing Parties have identified to date. In a manner substantially consistent with Local Rule 3007-1(e)(iii), each WARN Class Claim appears in a row with the following labels: (a) Name, (b) Date Filed, (c) Case #, (d) Debtor, (e) Claim #, and (f) Claim Amount. Furthermore, the row below each claim provides additional information as to the reason for disallowance.

SEPARATE CONTESTED MATTERS

22. Each of the above objections to the Disputed Claims constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. The Plan Administrator requests that any order entered by the Court with respect to an objection asserted in this objection shall be deemed a separate order with respect to each Disputed Claim.

RESERVATION OF RIGHTS

23. Nothing contained in this objection or any actions taken by the Debtors or the Plan Administrator pursuant to relief granted in the Proposed Order is intended or should be construed

as: (a) an admission as to the validity of any particular Claim (including the Disputed Claims) against the Debtor entities; (b) a waiver of the Debtors' right to dispute any particular Claim (including the Disputed Claims) on any grounds; (c) a promise or requirement to pay any particular Claim (including the Disputed Claims); (d) an implication or admission that any particular Claim (including the Disputed Claims) is of a type specified or defined in this objection; (e) an admission by the Debtors that any contract or lease is executory or unexpired, as applicable; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; (g) a request or authorization to assume or reject any agreements under section 365 of the Bankruptcy Code; (h) a waiver of any party's rights to assert that any other party is in breach or default of any agreement; or (i) an admission that any contract or lease is integrated with any other contract or lease.

24. The Debtors and the Plan Administrator hereby reserve their rights to amend, modify, and/or supplement this objection, including to object to the Disputed Claims on any additional grounds, prior to the hearing before the Court on this objection, if any (the "Hearing"), and nothing in this objection shall affect the Debtors' right or the Plan Administrator's right to object to the Disputed Claims at a future date on a basis other than as set forth in this objection as permitted by bankruptcy or nonbankruptcy law, subject to any limitations set forth in the Local Rules.

NOTICE

25. The Plan Administrator has provided notice of this objection to: (a) the Office of the United States Trustee for the District of Delaware; (b) all the claimants on **Schedule 1** though **Schedule 3** to the Proposed Order; and (c) any persons who have filed a request for notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors respectfully submit that no further notice is necessary.

STATEMENT OF COMPLIANCE WITH LOCAL RULE 3007-1(e)(i)(E)

26. The undersigned representative of Klehr Harrison Harvey Branzburg LLP (“*Klehr Harrison*”) certifies that he has reviewed the requirements of Local Rule 3007-1 and that the objection substantially complies with that Local Rule. To the extent that the objection does not comply in all respects with the requirements of Local Rule 3007-1, Klehr Harrison asserts that such deviations are not material and respectfully requests that any such requirement be waived.

WHEREFORE, the Plan Administrator respectfully request that this Court (i) enter the Proposed Order attached hereto as **Exhibit A** modifying and/or disallowing the Disputed Claims, and (ii) grant such other and further relief as is just and proper.

Dated: April 30, 2024
Wilmington, Delaware

Michael W. Yurkewicz

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

In re:)	
)	Chapter 11
PGX HOLDINGS, INC, <i>et al.</i> , ¹)	
	)	Case No. 23-10718 (CTG)
Debtors.	)	(Jointly Administered)
)	
	)	Objection Deadline: May 14, 2024 at 4:00 p.m.
	)	Hearing Date: June 11, 2024 at 11:00 a.m.

**NOTICE OF PLAN ADMINISTRATOR’S SIXTH
OMNIBUS OBJECTION (SUBSTANTIVE) TO CERTAIN
INSUFFICIENT DOCUMENTATION CLAIMS, INSUFFICIENT
DOCUMENTATION – EMPLOYEE CLAIMS, AND WARN CLASS CLAIMS**

**TO THOSE HOLDERS OF CLAIMS ON SCHEDULE 1 THROUGH SCHEDULE 3 TO
THE PROPOSED ORDER ANNEXED TO THE OBJECTION AS EXHIBIT A:**

- **YOUR SUBSTANTIVE RIGHTS MAY BE AFFECTED BY THE FOLLOWING OBJECTION AND BY ANY FURTHER OBJECTION THAT MAY BE FILED BY THE DEBTORS**
- **YOU ARE DIRECTED TO LOCATE YOUR CLAIM ON THE SCHEDULES TO THE PROPOSED ORDER**
- **THE RELIEF SOUGHT HEREIN IS WITHOUT PREJUDICE TO THE DEBTORS’ RIGHTS, OR THE RIGHTS OF OTHER PARTIES IN INTEREST, TO PURSUE FURTHER SUBSTANTIVE OR NON-SUBSTANTIVE OBJECTIONS AGAINST THE CLAIMS ADDRESSED HEREIN**

PLEASE TAKE NOTICE that on April 30, 2024, the Plan Administrator (the “Plan Administrator”) of the above-captioned debtors (filed with the United States Bankruptcy Court for the District of Delaware (the “Court”), the *Plan Administrator’s Sixth Omnibus Objection to Certain Insufficient Documentation Claims, Insufficient Documentation – Employee Claims, and WARN Class Claims* (the “Objection”).

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.

PLEASE TAKE FURTHER NOTICE that any response to the Objection must be made in writing and be filed with the Court, on or before **May 14, 2024 at 4:00 p.m. prevailing Eastern Time**.

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response to this Objection upon: (a) counsel for the Plan Administrator, (i) Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 (Attn: Spencer Winters (spencer.winters@kirkland.com) and Alison J. Wirtz (alison.wirtz@kirkland.com)) and (ii) Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 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, New York 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@morrisnichols.com)).

PLEASE TAKE FURTHER NOTICE that if you fail to respond in accordance with this notice, the Court may sustain the Objection without further notice or hearing.

PLEASE TAKE FURTHER NOTICE THAT IF AN OBJECTION IS PROPERLY FILED AND SERVED ON THE NOTICE PARTIES IN ACCORDANCE WITH THE ABOVE PROCEDURES, A HEARING WILL BE HELD BEFORE THE HONORABLE CRAIG T. GOLDBLATT, UNITED STATES BANKRUPTCY JUDGE FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 3RD FLOOR, COURTROOM #7, WILMINGTON, DELAWARE 19801 ON JUNE 11, 2024 AT 11:00 A.M. PREVAILING EASTERN TIME. ONLY OBJECTIONS MADE IN WRITING AND TIMELY FILED WILL BE CONSIDERED BY THE BANKRUPTCY COURT AT SUCH HEARING.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: April 30, 2024
Wilmington, Delaware

Michael W. Yurkewicz

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Co-Counsel to the Plan Administrator

Co-Counsel to the Plan Administrator

Exhibit A

Proposed Order

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

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

**ORDER SUSTAINING PLAN ADMINISTRATOR’S
SIXTH OMNIBUS OBJECTION (SUBSTANTIVE) TO CERTAIN
INSUFFICIENT DOCUMENTATION CLAIMS, INSUFFICIENT
DOCUMENTATION – EMPLOYEE CLAIMS, AND WARN CLASS CLAIMS**

Upon the objection (the “Objection”)² of the Plan Administrator seeking entry of an order modifying or expunging certain Disputed Claims ; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. §157; and it appearing that venue of this proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and the Plan Administrator, on behalf of the Debtors, having consented to the Court’s entry of a final order consistent with Article III of the United States Constitution; and adequate notice of the Objection and opportunity for response having been given; and it appearing that no other notice need be given; and the Court having considered the Objection, the Disputed Claims listed on **Schedule 1** through **Schedule 3** annexed hereto, and any

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.

2 Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Objection.

responses thereto; and upon the record herein; and after due deliberation and sufficient cause appearing therefore, it is FOUND AND DETERMINED that:

- A. This Objection is a core proceeding under 28 U.S.C. § 157(b)(2).
- B. Each holder of a Claim listed on Schedule 1 through Schedule 3 attached hereto was properly and timely served with a copy of the Objection, this order (this “Order”), the accompanying exhibits, and the notice.
- C. Any entity known to have an interest in the Disputed Claims subject to the Objection has been afforded reasonable opportunity to respond to, or be heard regarding, the relief requested in the Objection.
- D. Each of the Proofs of Claim on Schedule 1 hereto lacks sufficient documentation to substantiate the Claim.
- E. Each of the Proofs of Claim on Schedule 2 hereto lacks sufficient documentation to substantiate the Claim
- F. Each of the WARN Class Claims on Schedule 3 hereto asserts a liability by a member of the WARN Class that will be satisfied in connection with the WARN Settlement.

IT IS HEREBY ORDERED ADJUDGED AND DECREED that:

- 1. The Objection is sustained as set forth herein.
- 2. Any response to the Objection not otherwise withdrawn, resolved, or adjourned is hereby overruled on its merits.
- 3. Each of the Insufficient Documentation Claims listed as an objectionable Claim on Schedule 1 hereto is disallowed.
- 4. Each of the Insufficient Documentation – Employee Claims listed as an objectionable claim on Schedule 2 hereto is disallowed.

5. Each of the WARN Class Claims listed as an objectionable Claim on **Schedule 3** hereto was asserted by a member of the WARN Class for liabilities asserted in the WARN Action, who will be entitled to distributions on account of such claim solely from the WARN Settlement and therefore are disallowed from the claims register.

6. The official claims register in these cases shall be modified in accordance with this Order.

7. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition Claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition Claim on any grounds; (c) a promise or requirement to pay any prepetition Claim; (d) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (e) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

8. The Debtors' and Plan Administrator's rights to amend, modify, or supplement the Objection, and the rights of all parties in interest to file additional objections to the Disputed Claims or any other Claims (filed or not) which may be asserted against the Debtors, and to seek further reduction of any Disputed Claim to the extent such Claim has been paid, are preserved. Additionally, should one or more of the grounds of objection stated in the Objection be dismissed, the Debtors' rights, the Plan Administrator's rights, and the rights of other parties in interest to object on the other stated grounds or on any other grounds that the Debtors or other parties in interest may discover during this case are further preserved.

9. Each Disputed Claim, and the objections by the Debtors to such Disputed Claim, as addressed in the Objection and set forth on **Schedule 1** through **Schedule 3** hereto, constitutes

a separate contested matter as contemplated by Bankruptcy Rule 9014 and Local Rule 3007-1. This Order shall be deemed a separate Order with respect to each Disputed Claim. Any stay of this Order pending appeal by any claimants whose Claims are subject to this Order shall only apply to the contested matter that involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters listed in the Objection or this Order.

10. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

11. This Court shall retain jurisdiction over the Debtors and the claimants whose Claims are subject to the Objection with respect to any matters related to or arising from the Objection and the implementation of this Order.

Schedule 1

Insufficient Documentation Claims

PGX Holdings, Inc. Case No. 23-10718
Sixth Omnibus Objection (Substantive)
Schedule 1 - No Liability - Insufficient Documentation

	NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
1	AMANDA LEE HARRIS ADDRESS REDACTED	01/07/2024	23-10718	PGX Holdings, Inc.	627	\$0.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
2	AMANDA STEINEMAN ADDRESS REDACTED	01/16/2024	23-10718	PGX Holdings, Inc.	650	\$2,000.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
3	AMANDA STEINEMAN ADDRESS REDACTED	01/27/2024	23-10725	John C. Heath Attorney at Law PC	657	\$4,000.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
4	AMY LUCAS ADDRESS REDACTED	01/30/2024	23-10718	PGX Holdings, Inc.	658	\$4,418.30
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
5	ARMWOOD, ANTHELINA ADDRESS REDACTED	01/07/2024	23-10718	PGX Holdings, Inc.	624	\$3.10
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
6	DEANNA RIOS ADDRESS REDACTED	09/21/2023	23-10718	PGX Holdings, Inc.	534	\$205,455.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					

PGX Holdings, Inc. Case No. 23-10718
Sixth Omnibus Objection (Substantive)
Schedule 1 - No Liability - Insufficient Documentation

NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
7 DEBORAH HILL RICE ADDRESS REDACTED	01/07/2024	23-10718	PGX Holdings, Inc.	638	\$3,000.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
8 GREGORY E RICE ADDRESS REDACTED	01/06/2024	23-10718	PGX Holdings, Inc.	640	\$9,600.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
9 JUSTINA L ROBERTS ADDRESS REDACTED	01/09/2024	23-10722	Creditrepair.com, Inc.	645	\$2,500.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
10 KELLI WILLIAMS ADDRESS REDACTED	08/09/2023	23-10718	PGX Holdings, Inc.	70	\$15,250.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
11 LANESSA GOFORTH ADDRESS REDACTED	01/05/2024	23-10718	PGX Holdings, Inc.	632	\$7,700.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
12 LANESSA GOFORTH ADDRESS REDACTED	08/10/2023	23-10718	PGX Holdings, Inc.	97	\$27,300.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					

PGX Holdings, Inc. Case No. 23-10718
Sixth Omnibus Objection (Substantive)
Schedule 1 - No Liability - Insufficient Documentation

NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
13 LIONEL DUFFEY ADDRESS REDACTED	01/18/2024	23-10718	PGX Holdings, Inc.	653	\$18,323.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
14 RICHARD KEMPF ADDRESS REDACTED	01/08/2024	23-10718	PGX Holdings, Inc.	628	\$26,000.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
15 RICHARD MACHUCA ADDRESS REDACTED	01/17/2024	23-10718	PGX Holdings, Inc.	652	\$15,000.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
16 SEAN KING ADDRESS REDACTED	10/31/2023	23-10718	PGX Holdings, Inc.	604	\$65,785.55
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
17 TEAHIRRA REDITT ADDRESS REDACTED	01/08/2024	23-10718	PGX Holdings, Inc.	641	\$20,000.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
18 TRACY F HARRIS ADDRESS REDACTED	01/06/2024	23-10718	PGX Holdings, Inc.	625	\$1,200.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					

PGX Holdings, Inc. Case No. 23-10718
Sixth Omnibus Objection (Substantive)
Schedule 1 - No Liability - Insufficient Documentation

NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
19 VELORIS COOK ADDRESS REDACTED	01/07/2024	23-10718	PGX Holdings, Inc.	639	\$771.40
Reason: Claim does not have a basis in the Debtors' books and records. Claimant asserts compensation for 10 shares of the company, however she provided a stock certificate for Great-West Lifeco Inc., which is not a debtor.					
20 VERN MCPHERSON ADDRESS REDACTED	01/31/2024	23-10718	PGX Holdings, Inc.	661	\$17,000.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
				TOTAL	\$445,306.35

Schedule 2

Insufficient Documentation - Employee Claims

PGX Holdings, Inc. Case No. 23-10718
Sixth Omnibus Objection (Substantive)
Schedule 2 - No Liability - Insufficient Documentation - Former Employees

	NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
1	ABNEY, KATIE C. ADDRESS REDACTED	08/24/2023	23-10718	PGX Holdings, Inc.	220	\$3,000.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
2	ADLER, JASON ADDRESS REDACTED	10/14/2023	23-10718	PGX Holdings, Inc.	580	\$0.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
3	ALVAREZ, ISA ADDRESS REDACTED	08/30/2023	23-10718	PGX Holdings, Inc.	249	Undetermined*
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
4	ANTHONY MCCULLOUGH ADDRESS REDACTED	09/07/2023	23-10725	John C. Heath Attorney at Law PC	472	\$6,100.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
5	ARGYLE, MICAH ADDRESS REDACTED	11/04/2023	23-10718	PGX Holdings, Inc.	605	\$500.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
6	BUCHER, JEFFREY ADDRESS REDACTED	08/20/2023	23-10730	Progrexion Teleservices, Inc.	195	\$3,000.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					

*Indicates claim contains unliquidated and/or undetermined amounts

PGX Holdings, Inc. Case No. 23-10718
Sixth Omnibus Objection (Substantive)
Schedule 2 - No Liability - Insufficient Documentation - Former Employees

NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
7 CHACON, KAREN ADDRESS REDACTED	08/14/2023	23-10718	PGX Holdings, Inc.	122	Undetermined*
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
8 CRYSTINE S. DAVIS ADDRESS REDACTED	08/30/2023	23-10718	PGX Holdings, Inc.	247	\$9,231.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
9 DELGADO, ANAHI ADDRESS REDACTED	08/24/2023	23-10718	PGX Holdings, Inc.	215	\$6,300.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
10 FELIX, ISMAEL ADDRESS REDACTED	09/21/2023	23-10727	Progrexion Holdings, Inc.	532	\$5,000.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
11 HALPIN, ANDREA C. ADDRESS REDACTED	10/09/2023	23-10718	PGX Holdings, Inc.	569	\$0.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
12 KANDICE BROWN ADDRESS REDACTED	08/16/2023	23-10718	PGX Holdings, Inc.	156	\$13,200.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					

*Indicates claim contains unliquidated and/or undetermined amounts

PGX Holdings, Inc. Case No. 23-10718
Sixth Omnibus Objection (Substantive)
Schedule 2 - No Liability - Insufficient Documentation - Former Employees

NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
13 KATHRYN HILL ADDRESS REDACTED	07/24/2023	23-10730	Progrexion Teleservices, Inc.	49	\$302.26
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
14 KOWSARI, DAVID ADDRESS REDACTED	09/06/2023	23-10718	PGX Holdings, Inc.	274	Undetermined*
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
15 MARK POLLACK ADDRESS REDACTED	08/04/2023	23-10718	PGX Holdings, Inc.	55	\$29,500.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
16 MARY KATHERINE KAMINSKI ADDRESS REDACTED	08/17/2023	23-10730	Progrexion Teleservices, Inc.	164	\$8,740.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability. Any resulting claim would not be entitled to priority treatment as it did not arise within 180 days prior to the petition date.					
17 MCELVEEN, TIANIE J. ADDRESS REDACTED	08/15/2023	23-10718	PGX Holdings, Inc.	139	\$3,350.00*
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
18 NASH, MATTHEW J. ADDRESS REDACTED	08/16/2023	23-10718	PGX Holdings, Inc.	163	\$14,000.00
Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					

*Indicates claim contains unliquidated and/or undetermined amounts

PGX Holdings, Inc. Case No. 23-10718
Sixth Omnibus Objection (Substantive)
Schedule 2 - No Liability - Insufficient Documentation - Former Employees

	NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
19	RAMIREZ, RAUL ADDRESS REDACTED	08/15/2023	23-10718	PGX Holdings, Inc.	107	\$8,000.00
	Reason: Claim does not have a basis in the Debtors' books and records. Claimant is not entitled to WARN benefits as asserted in the claim because he left his role voluntarily to pursue a different job and was not part of the workforce reduction.					
20	RASMUSSEN, DESIRAE ADDRESS REDACTED	08/15/2023	23-10725	John C. Heath Attorney at Law PC	150	\$7,587.94
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
21	SCHOPFER, ANITA ADDRESS REDACTED	08/28/2023	23-10718	PGX Holdings, Inc.	232	\$10,000.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
22	SMITH, ALEXANDER ADDRESS REDACTED	12/05/2023	23-10718	PGX Holdings, Inc.	615	\$20,000.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
23	VALKO, LISA D. ADDRESS REDACTED	09/06/2023	23-10718	PGX Holdings, Inc.	278	Undetermined*
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
24	WIKES, SANDRA M. ADDRESS REDACTED	08/19/2023	23-10718	PGX Holdings, Inc.	177	\$3,500.00
	Reason: Claim does not have a basis in the Debtors' books and records and does not include or attach sufficient information or documentation to determine the validity of the asserted liability.					
					TOTAL	\$151,311.20*

*Indicates claim contains unliquidated and/or undetermined amounts

Schedule 3

WARN Class Claims

PGX Holdings, Inc. Case No. 23-10718
 Sixth Omnibus Objection (Substantive)
 Schedule 3 - No Liability - WARN Class Action Members

NAME	DATE FILED	CASE #	DEBTOR	CLAIM #	CLAIM AMOUNT
1 DESTRIE BARNES ADDRESS REDACTED	02/07/2024	23-10722	Creditrepair.com, Inc.	668	\$15,150.00
Reason: Through the Confirmation Order, the Debtors and the WARN Plaintiff settled the WARN Action (the “WARN Settlement”). The WARN Settlement binds the WARN Plaintiff and all members of the class covered by the WARN Action (the “WARN Class”). Members of the WARN Class will receive distributions from funds that have already been paid by the Debtors to the administrator of the WARN Class and therefore this claim should be expunged to avoid duplicate recoveries . Additionally, the claim was not filed timely.					
2 SHARIFIAN, ASHKAN T. ADDRESS REDACTED	08/31/2023	23-10718	PGX Holdings, Inc.	270	\$100,000.00
Reason: Through the Confirmation Order, the Debtors and the WARN Plaintiff settled the WARN Action (the “WARN Settlement”). The WARN Settlement binds the WARN Plaintiff and all members of the class covered by the WARN Action (the “WARN Class”). Members of the WARN Class will receive distributions from funds that have already been paid by the Debtors to the administrator of the WARN Class and therefore this claim should be expunged to avoid duplicate recoveries .					
				TOTAL	\$115,150.00

EXHIBIT B

Niemerg Declaration

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

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

DECLARATION OF RICHARD NIEMERG IN SUPPORT OF THE PLAN ADMINISTRATOR’S SIXTH OMNIBUS OBJECTION (SUBSTANTIVE) TO CERTAIN INSUFFICIENT DOCUMENTATION CLAIMS, INSUFFICIENT DOCUMENTATION – EMPLOYEE CLAIMS, AND WARN CLASS CLAIMS

I, Richard Niemerg, hereby declare under penalty of perjury:

1. I submit this declaration (this “Declaration”) in support of the *Plan Administrator’s Sixth Omnibus Objection (Substantive) to Certain Insufficient Documentation Claims, Insufficient Documentation – Employee Claims, and WARN Class Claims* (the “Objection”) filed by the Plan Administrator (the “Plan Administrator”) of the above captioned debtors (the “Debtors”).

2. I am a Managing Director at Alvarez & Marsal North America, LLC (“A&M”), which was employed by the Debtors pursuant to the *Order Authorizing Debtors to Employ and Retain Alvarez & Marsal North America, LLC as Financial Advisor to the Debtors and Debtors in Possession, Effective as of the Petition Date, Pursuant to Sections*

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.

327(a) and 328 [Docket No. 214] (the “Retention Order”). A&M has been subsequently retained by the Plan Administrator

3. I am familiar with the Debtors’ day-to-day operations, businesses, financial affairs, and books and records. I make this declaration on the basis of the review by myself and those under my direction of the Debtors’ respective books and records (the “Books and Records”), the register of claims (the “Claims Register”) prepared and provided by the Debtors’ notice and claims agent, Kurtzman Carson Consulting LLC (“KCC”), and the Proofs of Claim filed in these chapter 11 cases.

4. All matters set forth in this Declaration are based on: (a) my personal knowledge; (b) my review of relevant documents; (c) my view, based on my experience and knowledge of the Debtors’ operations and Books and Records; (d) information supplied to me by others at my request including my team at A&M, or former or current employees of the Debtors or the Purchaser; and (e) as to matters involving United States bankruptcy law or rules or other applicable laws, my reliance on the advice of counsel or other advisors to the Debtors and the Plan Administrator. If called upon to testify, I could and would testify competently to the facts set forth herein.

5. On June 4, 2023 (the “Petition Date”), the Debtors filed with the Court voluntary petitions for relief under the Bankruptcy Code. During the pendency of their chapter 11 cases, the Debtors operated their business and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. On July 19, 2023, the Court entered an Order (A) Establishing Bar Dates for Filing Proofs of Claim, Including Claims Under 11 U.S.C. § 503(B)(9) and Administrative Expense Requests; (B) Approving the Form and Manner for Filing Proofs

of Claim and Administrative Expense Requests; (C) Approving Notice Thereof; and (D) Granting Related Relief [Docket No. 194] (the “Bar Date Order”), establishing, among other things, September 7, 2023 as the deadline for all non-governmental entities to file Proofs of Claim.

7. On December 26, 2023, the Court entered the Findings of Fact, Conclusions of Law, and Order Approving the Debtors’ Disclosure Statement for, and Confirming the Second Amended Joint Chapter 11 Plan of PGX Holdings, Inc., and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 681] (the “Confirmation Order”) that confirmed the Second Amended Joint Plan of PGX Holdings, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 570] (the “Plan”). On December 26, 2023, the Effective Date of the Plan occurred. The Plan designated Mark A. Roberts of Alvarez & Marsal North America, LLC as the Plan Administrator. Under the Plan, the Plan Administrator is authorized to administer claims on the Debtors’ behalf.

8. On August 25, 2023, the Court entered orders [Docket No. 422 and 423] (together, the “Sale Orders”) approving (i) the Debtors’ entry into and performance under each of the Stalking Horse Agreements and authorizing the sale of substantially all of the Debtors’ assets free and clear of all liens, claims, interest, and encumbrances and (ii) the assumption by the Debtors and the assignment and sale to the Progexion Purchaser or Lexington Law Purchaser (as applicable, the “Purchaser”) of executory contracts and unexpired leases to be designated by the Purchaser as “Assumed Contracts” pursuant to the Sale Orders, the Progexion APA, the Lexington Law APA, and sections 363 and 365 of the Bankruptcy Code, subject to, and effective as of, the closing of the Sale Transactions

(the date of the closing being the “Closing Date”). The Closing Date occurred on September 28, 2023.

9. On June 5, 2023, Kristen Hansen (the “WARN Plaintiff”), on behalf of herself and others similarly situated, filed a Class Action Adversary Proceeding Complaint against the Debtors in this Court for alleged violations of the Worker Adjustment and Retraining Notification Act [Adv. Pro. No. 23-50396] (the “WARN Action”). Through the Confirmation Order, the Debtors and the WARN Plaintiff settled the WARN Action (the “WARN Settlement”). The WARN Settlement binds the WARN Plaintiff and all members of the class covered by the WARN Action (the “WARN Class”). Members of the WARN Class will receive distribution from funds that have already been paid by the Debtors to the administrator of the WARN Class.

10. During the Claims reconciliation process, I have conducted, and continue to conduct, a review of the Proofs of Claim filed in these chapter 11 cases. In this regard, I, or another person at my direction, participated in the review of both the Claims Register and the Books and Records with respect to identifying Claims that should be disallowed and expunged (the “Disputed Claims”) as described in the Objection. I have read the Objection, the proposed order (the “Proposed Order”), and **Schedule 1** through **Schedule 3** attached to the Proposed Order, and I am familiar with the information contained therein.

11. **Insufficient Documentation Claims**. Upon the review of the Proofs of Claim filed in these cases, I, or someone at my direction, have identified the Insufficient Documentation Claims listed on **Schedule 1** to the Proposed Order. To the best of my knowledge, information, and belief, and insofar as I have been able to ascertain after reasonable inquiry and investigation and my investigation of the Books and Records, the

Proofs of Claim, and all documentation submitted with the Proofs of Claim, each of the Insufficient Documentation Claims listed on **Schedule 1** represent Claims that are not supported by the Debtors' Books and Records and fail to attach sufficient documentation to substantiate such Insufficient Documentation Claim.

12. **Insufficient Documentation - Employee Claims.** Upon the review of the Proofs of Claim filed in these cases, I, or someone at my direction, have identified the Insufficient Documentation – Employee Claims listed on **Schedule 2** to the Proposed Order. To the best of my knowledge, information, and belief, and insofar as I have been able to ascertain after reasonable inquiry and investigation and my investigation of the Books and Records, the Proofs of Claim, and all documentation submitted with the Proofs of Claim, each of the Insufficient Documentation – Employee Claims listed on **Schedule 2** represent Claims filed by former employees that are not supported by the Debtors' Books and Records and fail to attach sufficient documentation to substantiate such Insufficient Documentation Claim.

13. **WARN Class Claims.** Upon the review of the Proofs of Claim filed in these cases, I have identified the WARN Class Claims listed on **Schedule 3** to the Proposed Order. To the best of my knowledge, information, and belief, and insofar as I have been able to ascertain after reasonable inquiry and investigation and my investigation of the Books and Records, the Proofs of Claim, and all documentation submitted with the Proofs of Claim, each of the WARN Class Claims listed on **Schedule 3** represent Claims that have been asserted by members of the WARN Class for liabilities addressed in the WARN Action. The members of such class are entitled to recoveries on account of such claims solely from the funds paid by the Debtors in connection with the WARN Settlement. The

failure to disallow the claims set forth on **Schedule 3** would expose the Debtors to multiple recoveries

Conclusion

14. Based upon my review of the Claims Register and the Books and Records, I believe that granting the relief requested in the Objection is in the best interest of the Debtors' estates and their creditors.

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

Executed this 30th day of April 2024.

Richard Niemerg

Richard Niemerg

Managing Director, Alvarez & Marsal North
America, LLC