

IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
NEWNAN DIVISION

In re:

AFH AIR PROS, LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-10356 (PMB)

(Jointly Administered)

Re: Docket Nos. 520, 698

**DEBTORS' REPLY IN SUPPORT OF OMNIBUS OBJECTION TO CLAIMS OF THE  
U.S. SMALL BUSINESS ADMINISTRATION**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) submit this reply to the U.S. *Small Business Administration’s Response in Opposition to Debtors’ Objection to Proof of Claim of U.S. Small Business Administration (Claim 87 and 89)* [Docket No. 698] (the “Response”). In further support of the *Debtors’ Omnibus Objection to Claims of the U.S. Small Business Administration* [Docket No. 520] (the “Objection”), the Debtors respectfully state as follows:

**REPLY**

1. The SBA filed seven proofs of claim in these Chapter 11 Cases (collectively, the “SBA Claims”). The SBA has previously acknowledged to the Debtors that Claims Nos. 117, 118, or 119 are duplicate claims that were filed electronically in error, and the Response does not otherwise contest the Debtors’ objection to these Duplicate Claims. Accordingly, Claims Nos. 117, 118, and 119 should be disallowed and expunged as requested in the Objection.

<sup>1</sup> The last four digits of AFH Air Pros, LLC’s tax identification number are 1228. Due to the large number of debtor entities in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the claims and noticing agent at <https://www.veritaglobal.net/AirPros>. The mailing address for the debtor entities for purposes of these chapter 11 cases is: 150 S. Pine Island Road, Suite 200, Plantation, Florida 33324.



2. Additionally, the Objection requests that Claim Nos. 88 and 90 should be reclassified in their entirety as general unsecured claims because the applicable Debtors (Air Pros Texas LLC and Air Pros Colorado LLC, respectively) had no assets as of the Petition Date to which the SBA's liens could attach. The SBA Response does not contest the Debtors' objection to Claim Nos. 88 and 90. Accordingly, Claim Nos. 88 and 90 should be reclassified as general unsecured claims.

3. The Debtors believe that the only remaining matters before the Court are the Debtors' objections to Claim Nos. 87 and 89, which the SBA asserts are secured by the assets of Air Pros West, LLC and Air Pros, LLC, respectively:<sup>2</sup>

- Claim No. 89 (Air Pros, LLC). After further review and analysis of the Schedules of Assets and Liabilities of Air Pros, LLC, for the reasons discussed further herein, the Debtors agree that, as of the Petition Date, Claim No. 89 was fully secured by the assets of Air Pros, LLC.
- Claim No. 87 (Air Pros West LLC). After further review and analysis of the Schedules of Assets and Liabilities of Air Pros West LLC ("AP West"), for the reasons discussed further herein, the Debtors agree that Claim No. 87 was partially secured by the assets of Air Pros West LLC as of the Petition Date and should be reclassified (i) as a secured claim in the amount of \$23,644.72, and (ii) as a General Unsecured Claim in the amount of \$153,910.07.

4. Based on the foregoing, the Debtors request that the Court classify, reclassify, and disallow each of the SBA Claims as follows:

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<sup>2</sup> Pursuant to the *Order (A) Approving the Sale of the Debtors' Assets Free and Clear of all Liens, Claims, Encumbrances, and Interests, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 392] (the "Air Pros Legacy Sale Order"), the Court authorized Air Pros, LLC and AP West to sell substantially all of their assets to Air Today Holdings, LLC for \$2 million (plus assumption of certain liabilities as set forth in the applicable Asset Purchase Agreement). The Air Pros Legacy Sale Order provides, in relevant part, that liens attach to proceeds "in the same order of priority, with the same validity, force and effect that such creditor or interest holder had prior to the Sale, subject to any claims and defenses the Sellers and their estates may possess with respect thereto." (Air Pros Legacy Sale Order ¶ DD.)

Claim No.	Claim Amount	Alleged Collateral	Classification
87	\$177,554.79	Air Pros West LLC	Reclassify (i) as a secured claim in the amount of <b>\$23,644.72</b> and (ii) as a general unsecured claim in the amount of \$153,910.07.
88	\$177,416.09	Air Pros Texas LLC	Reclassify as a general unsecured claim in amount of \$177,416.09.
89	\$177,369.86	Air Pros LLC	Classify as a secured claim in the amount of <b>\$177,369.86.</b>
90	\$177,431.50	Air Pros Colorado LLC	Reclassify as a general unsecured claim in amount of \$177,431.50.
117	\$177,431.50	N/A	Disallow
118	\$177,431.50	Air Pros Colorado LLC	Disallow
119	\$177,416.09	Air Pros Texas LLC	Disallow

**A. The Debtors' Objection to Claim Nos. 88, 90, 117, 118, and 119 Should be Sustained**

5. In the Objection, the Debtors request that Claim Nos. 88 and 90 be reclassified as general unsecured claims because the applicable entity against whom the SBA asserts a security interest do not have any assets to which the SBA's lien could attach based upon the applicable Debtors' Schedules of Assets and Liabilities. (Objection ¶¶ 22–27.) Additionally, the Debtors object to Claims Nos. 117, 118, and 119 as duplicative (Objection ¶¶ 19–21), and the SBA has acknowledged to the Debtors that these claims are duplicative claims that were filed electronically in error. In its Response, the SBA does not address these claims, thereby conceding the Debtors' Objections to these claims and consenting, by default, to the relief requested in the Objection.

6. Because the SBA does not oppose or otherwise respond to the Debtors' Objection to Claim Nos. 88, 90, 117, 118, and 119 (and further acknowledges that Claim Nos 117, 118, and 119 are duplicative claims), the Debtors' respectfully request that the Court sustain the Objection to each of those Claims for the reasons set forth in the Objection and (a) reclassify Claims Nos. 88 and 90 as general unsecured claims in the amount asserted as owing as of the Petition Date, and (b) disallow and expunge Claims Nos. 117, 118, and 119 as duplicate claims.

**B. Claim Nos. 87 and 89 Should be Classified Based on the Applicable Debtors' Schedules of Assets and Liabilities**

7. In the Objection, the Debtors assert that Claim Nos. 87 and 89 are unsecured claims because the applicable UCC-1 Financing Statements lapsed in June 2025 when the SBA failed to file continuation statements to maintain a perfected security interest in the applicable assets. In its Response, the SBA asserts that the postpetition lapse of the UCC-1 Financing Statements does not affect the secured nature of SBA's claims, because security interests are determined as of the Petition Date. (Response ¶¶ 5–6.) For purposes of the Debtors' objection and the SBA Claims, the Debtors agree that the SBA's security interests are determined as of the Petition Date. Based upon each applicable Debtors' Schedules of Assets and Liabilities, (i) Claim No. 89 was fully secured as of the Petition Date with respect to the assets of Air Pros, LLC, and (ii) Claim No. 87 was secured only to the extent of \$23,644.72, and the balance of Claim No. 87 is unsecured.

*i. Claim No. 89 is a Secured Claim With Respect to the Assets of Air Pros, LLC*

8. Claim No. 89 asserts a secured claim in the amount of \$177,369.86 and asserts that the claim is secured by the assets of Air Pros LLC. The Schedules of Assets and Liabilities for Air Pros LLC reflect the following assets (and values) to which the SBA's lien could have attached and been perfected as of the Petition Date:

Property	Scheduled Value
A/R	\$453,613.48
Inventory	\$104,982.29
Office Furniture, Fixtures, Equipment	\$6,255.04
Machinery, Equipment, and Vehicles	\$59,890.13
<b>Total:</b>	<b>\$624,740.94</b>

[Case No. 25-10368, Docket No. 9]. Because the value of the assets of Air Pros, LLC as of the Petition Date exceed the amount asserted in Claim No. 89, the Debtors agree that Claim No. 89 was fully secured as of the Petition Date.

*ii. Claim Nos. 87 Should be Reclassified, in Part, as a General Unsecured Claim*

9. Claim No. 87 asserts a secured claim in the amount of \$177,554.79 and asserts that the claim is secured by the assets of Air Pros West, LLC (“AP West”). The Schedules of Assets and Liabilities for AP West reflect the following assets (and values) to which the SBA’s lien could have attached and been perfected as of the Petition Date:

Property	Scheduled Value
A/R	\$8,021.80
Inventory	\$12,622.92
Office Furniture, Fixtures, Equipment	\$3,000
Machinery, Equipment, and Vehicles	\$0
<b>Total:</b>	<b>\$23,644.72</b>

[Case No. 25-10367, Docket No. 9]. Thus, as of the Petition Date, Claim No. 87 was secured only to the extent of \$23,644.72. The balance of Claim No. 87, in the amount of \$153,910.07, is unsecured. Accordingly, Claim No. 87 should be reclassified (a) as a secured claim in the amount of \$23,644.72, and (b) as a general unsecured claim in the amount of \$153,910.07.

*[Remainder of Page Intentionally Left Blank]*

**CONCLUSION**

10. For the reasons set forth in the Objection and this Reply, the Debtors respectfully request that the Court entered an order providing for the following classification, reclassification, or disallowance, as applicable, of the SBA claims:

Dated: September 30, 2025

Respectfully submitted,

**GREENBERG TRAURIG, LLP**

/s/ David B. Kurzweil

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**CERTIFICATE OF SERVICE**

I hereby certify that all ECF participants registered in these cases were served electronically with the foregoing Objection through the Court's ECF system at their respective email addresses registered with this Court. The Debtors' claims and noticing agent will be filing a supplemental certificate of service on the docket to reflect any additional service of the foregoing document via first-class mail, including the notice parties enumerated in the Objection.

Dated: September 30, 2025

**GREENBERG TRAURIG, LLP**

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