



IT IS ORDERED as set forth below:

Date: August 13, 2025

Paul Baisier

**Paul Baisier
U.S. Bankruptcy Court Judge**

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION**

In re:

AFH AIR PROS, LLC, *et al.*,¹

Debtors.

)
) Chapter 11

)
) Case No. **25-10356- PMB**

)
) (Jointly Administered)

)
) **Related to Docket Nos. 478, 562, 593,**
) **594, 608, & 616**

**ORDER SETTING CONTINUED HEARING
TO PROVIDE OPPORTUNITY TO SUPPLEMENT
RECORD OF HEARING TO CONSIDER CONFIRMATION
OF DEBTORS' SECOND AMENDED PLAN OF REORGANIZATION**

This matter is before the Court on the request by the debtors and debtors-in-possession in the above-captioned Chapter 11 cases (the "Debtors") for confirmation of the Debtors' *Second*

¹ 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.



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Amended Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates filed on June 24, 2025 (Docket No. 478) and *Second Amended Disclosure Statement for the Second Amended Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates* also filed on June 24, 2025 (Docket No. 479) and subsequent amendments as described below (as amended to date, the “Plan” and the “Disclosure Statement”),² which came before the Court for confirmation of the Plan under 11 U.S.C. § 1129 and final approval of the Disclosure Statement under 11 U.S.C. § 1125 on August 6, 2025 at 1:00 p.m. (the “Confirmation Hearing”).

The Plan includes in Article X.D what is generally known in bankruptcy parlance as a “opt out third party release” (the “Release”). To avoid being bound by the Release under the terms of the Plan, a creditor or interest-holder of the Debtors must not vote to accept the Plan, or in either voting to reject the Plan or in not voting at all they must check a box on a form provided to them pursuant in which they “opt out” of the Release.³ Under the Plan, creditors and interest-holders that vote for the Plan, that vote to reject the Plan but do not check an “opt out” box on the ballot, or that do not submit a ballot or an “opt out” form or file an objection are all deemed to have consented to the Release.

Two (2) timely objections to confirmation of the Plan were filed. Those were: (1) the *Limited Objection of Continental Casualty Company and National Fire Insurance Company of Hartford, and Their Applicable Affiliates, To Confirmation of the Second Amended Chapter 11*

² Capitalized terms used herein but not defined herein are used as defined in the Disclosure Statement and/or the Plan.

³ Under the Plan, only creditors in Classes 3 and 4 (Prepetition Lender Secured Claims and General Unsecured Claims, respectively), are considered impaired and thus entitled to vote. Creditors in those classes received ballots that included an opt out box to be checked. The Debtors also served “opt out” forms on parties that were not permitted to vote on the Plan, either because they were being paid in full under the Plan and thus were deemed to accept (Classes 1 and 2)(Other Priority Claims and Other Secured Claims, respectively), or they were not getting anything under the Plan and thus were deemed to reject (Classes 5, 6, and 7)(Subordinated Claims, Intercompany Claims, and Interests in the Debtor, respectively).

Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates, filed on July 28, 2025 (Docket No. 593)(the “Continental Casualty Objection”), and (2) the *United States Trustee’s Objection to Debtors’ Second Amended Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates*, filed by the Office of the United States Trustee (“U.S. Trustee”) on July 28, 2025 (Docket No. 594)(the “U.S. Trustee Objection”). At the Confirmation Hearing it was announced that the Continental Casualty Objection had been resolved, such that only the U.S. Trustee Objection remains.

During the Confirmation Hearing, the Court explored with counsel for the Debtors, the Committee, and Lenders the extent to which the relevant circumstances in this case are similar to those in which an opt out release was approved by this Court in *In re LaVie Care Centers, LLC et al.*, 2024 WL 4988600 (Bankr. N.D. Ga. Dec. 5, 2024). In particular, there was substantial discussion as to whether “the creditors affected by the Release are receiving substantial consideration in exchange for the Release.” Important to that analysis in this case, among other things, are:

- 1) The nature, extent, validity and collectability of the Litigation Trust Claims (the proceeds of which General Unsecured Claims share in pursuant to the Plan);
- 2) The nature, extent, validity and collectability of any known or suspected claims or causes of action against the Released Parties that would be released through the Release;
- 3) The analysis pursuant to which the Committee determined that the settlement embodied in the Creditors’ Committee Settlement, including the Release, is in the best interests of the Holders of General Unsecured Claims; and

- 4) The current unpaid amount of the DIP Credit Facility, the amount of same that it is anticipated will remain unpaid on the Effective Date, and the expected ultimate treatment under the Plan of any such remaining unpaid amount.

At the conclusion of the Confirmation Hearing, the Court indicated that the Disclosure Statement would be approved, and that the Plan appeared to meet all the requirements for confirmation other than those addressed by the U.S. Trustee Objection, which matters it took under advisement. Upon review of those matters, it appears to the Court that it would be appropriate to permit the Debtors, the Committee, the Lenders, and the U.S. Trustee (the “Parties”) to supplement the Confirmation Hearing record to address more fully the issues raised by the Court regarding the Release at the Confirmation Hearing, including those described above.

The Court presently has an omnibus hearing date scheduled in this bankruptcy case on **August 20, 2025 at 1:00 PM** (the “Omnibus Hearing”). The Court will at the Omnibus Hearing be willing to permit the Parties to supplement the record of the Confirmation Hearing as indicated.

The Omnibus Hearing may be attended in person **in the 2nd Floor Courtroom** in the **Lewis R. Morgan Federal Building and United States Courthouse, 18 Greenville Street, Newnan, Georgia 30263**,⁴ or via the Court’s Virtual Hearing Room.⁵

The Omnibus Hearing is scheduled to be a hybrid hearing available both in person and virtually; however, depending on the nature of the evidence to be presented (in particular the potential confidentiality of same) the Court may need to alter those parameters by, for example, discontinuing the virtual feed, moving the virtual hearing into

⁴ Witnesses will need to testify in person absent exigent circumstances.

⁵ Please check the “Bankruptcy Hearing Information” link at the top of the homepage of the Court’s website, www.ganb.uscourts.gov, for more information and instructions on how to participate in Court hearings. You may also review the “Hearing Information” tab on the Judge’s webpage for further information about the hearing.

a separate virtual room or excluding certain persons or entities from the courtroom for all or part of the presentation.

In view of the foregoing, it is hereby **ORDERED** as follows:

1. The record of the Confirmation Hearing will be opened during the Omnibus Hearing to permit the Parties to submit any additional evidence they wish to submit in support of or in opposition to confirmation of the Plan.
2. Parties may prior to the Omnibus Hearing submit additional or supplemental affidavits in lieu of additional testimony, so long as the affiant is available at the Omnibus Hearing for cross-examination regarding the content of the additional or supplemental affidavit.
3. Should any creditor or party in interest object to the admission of additional evidence regarding confirmation of the Plan at the Omnibus Hearing, such creditor or party must appear at the Omnibus Hearing to advocate for such objection, or such objection will be waived.

Debtors' counsel through their noticing and claims agent, Verita, shall serve a copy of this Order on the Limited Service List for this case.

[END OF ORDER]