

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	.	Chapter 11
	.	Case No. 24-11161 (JTD)
EPIC! CREATIONS, INC.,	.	
<i>et al.</i> ,	.	(Jointly Administered)
	.	
Debtors.	.	
.	
	.	
CLAUDIA Z. SPRINGER,	.	Adv. Pro. No. 24-50280 (JTD)
CHAPTER 11 TRUSTEE,	.	
	.	(Jointly Administered)
Plaintiff,	.	
	.	
v.	.	
	.	
VOIZZIT TECHNOLOGY PRIVATE	.	
LTD., VOIZZIT INFORMATION	.	
TECHNOLOGY LLC, THINK AND	.	Courtroom No. 5
LEARN PVT LTD., AND	.	824 North Market Street
RAJENDRAN VELLAPALATH,	.	Wilmington, Delaware 19801
	.	
Defendants.	.	Wednesday, December 11, 2024
.	10:00 a.m.

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

(APPEARANCES CONTINUED)

Audio Operator:	Electronically Recorded By Court Personnel
Transcription Company:	Reliable The Nemours Building 1007 N. Orange Street, Suite 110 Wilmington, Delaware 19801 Telephone: (302)654-8080 Email: gmatthews@reliable-co.com

Proceedings recorded by electronic sound recording,
transcript produced by transcription service.



1 APPEARANCES:

2 For the Chapter
3 11 Trustee:

Henry Jaffe, Esquire
PASHMAN STEIN WALDER HAYDEN, P.C.
824 North Market Street
Suite 800
Wilmington, Delaware 19801

Catherine Steege, Esquire
JENNER & BLOCK LLP
353 North Clark Street
Chicago, Illinois 60654

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

MOTION:

PAGE

Agenda

Item 1: Trustee's Motion for Entry of
Temporary Restraining Order
and Preliminary Injunction
[Adv. D.I. 2, 12/10/2024]

4

Court's Ruling:

15

1 (Proceedings commenced at 10:01 a.m.)

2 THE COURT: I will go ahead and turn it over to
3 trustee's counsel to run the agenda.

4 MR. JAFFE: Good morning, Your Honor. This is
5 Henry Jaffe. May I please the Court, Henry Jaffe here from
6 Pashman Stein. We are co-counsel to the Chapter 11 Trustee
7 in this case.

8 Your Honor, I wanted to let you know that on the
9 line we have the Chapter 11 Trustee, Claudia Springer. We
10 also have Mr. Grall who was the declarant. And in addition,
11 Your Honor, if I could, I would like to turn the podium over
12 to my co-counsel, Ms. Steege, who will be prepared to present
13 on the emergency TRO motion.

14 THE COURT: Okay, Ms. Steege.

15 MS. STEEGE: Good morning, Your Honor. Thank you
16 once again for hearing yet another emergency motion to
17 enforce the automatic stay in this case. Unfortunately, the
18 same bad actors, Voizzit Technology Private Ltd., Voizzit
19 Information Technology LLC, Rajendran Vellapalath, and Think
20 and Learn are back at it again making these hearings and
21 unfortunate weekly occurrence and a burden to the estate and
22 to this Court. Evry time the stay is violated the trustee
23 and her advisors have to turn their attention and resources
24 to correcting these stay violations and burden the Court with
25 requests for emergency hearings.

1 This morning what we are asking the Court to do is
2 to order the Voizzit entities to dismiss a lawsuit they filed
3 on November 20th, 2024 in the Commercial Court of Ernakulam,
4 India because the lawsuit violates the automatic stay. In a
5 nutshell what this lawsuit does is it asks the Indian Court
6 to pave the way for defendants to regain control over the
7 very same intellectual property, the internet domains and
8 related applications and accounts of these bankruptcy estates
9 that this Court has already ruled the defendants illegally
10 seized in violation of the automatic stay. That property is
11 now back under the trustee's control where it belongs under
12 the bankruptcy code.

13 So what are the facts surrounding this latest stay
14 violation. First, the debtors get Epic! and play. Osmo web
15 domains and all of the related websites and applications
16 which are the target of this Indian lawsuit are, without
17 question, property of the debtors estates under Section
18 541(a) of the Bankruptcy Code. The debtors controlled and
19 owned all of the rights to these internet platforms and
20 accounts on the day the involuntary bankruptcy petitions were
21 filed making these assets property of the estate.

22 After the orders for relief were entered in
23 September and the trustee was appointed on September 23rd the
24 Court has heard evidence multiple times about how the
25 defendants surreptitiously infiltrated the debtors websites

1 and took the debtors Stripe, Apple, Google, GitHub and
2 Cloudflare accounts, and related websites and domains, and
3 other internet applications. As a --

4 THE COURT: Who is the lawsuit against that they
5 filed in India?

6 MS. STEEGE: The lawsuit is against Ms. Springer
7 as trustee, is against the Indian subsidiaries of Apple,
8 Google, Stripe, Microsoft and Amazon. So, its many of the
9 same -- its all of the same parties against which you have
10 entered orders directing return of the various internet
11 applications held by those providers and then they have added
12 in Microsoft and Amazon whom the trustee has been working
13 with and so far hadn't had any reason to come into Court to
14 worry about violations with regard to them. They name the
15 Indian subsidiaries, they don't name the US entities.

16 Your Honor's orders that were entered on October
17 8th, November 12th, and November 19th ordered the defendants
18 to stop taking actions to exercise control over all of these
19 applications that they are now asking the Indian Court to
20 tell the internet providers to give them back control over
21 these applications. They filed this lawsuit the day before
22 Your Honor was going to hold a hearing and did hold a hearing
23 with regard to whether their prior stay violations were
24 willful violations of the automatic stay.

25 Their US counsel, if they knew about it, didn't

1 inform the Court but more importantly Mr. Vellapalath, who
2 was before Your Honor last week at the continued hearing on
3 damages, did not tell the Court that he had filed this
4 lawsuit. The trustee only found out about it as a result of
5 Apple receiving a copy of the lawsuit in the mail and then
6 forwarding it to the trustee and indicating that the trustee,
7 you know, needed to do something about this because now there
8 was this competing lawsuit pending in the Indian Courts.

9 This lawsuit clearly violates the automatic stay.
10 There is no question that its intended to basically unwind
11 the orders that Your Honor entered. If you look at, for
12 example, the affidavit that Mr. Vellapalath filed in support
13 of his request for a temporary prohibitory injunction,
14 paragraph 14, he states that his companies have lost access
15 to their internet domains and websites, meaning the Epic! and
16 Osmo Play websites and all related other accounts and
17 applications.

18 What they want the Indian Court to do is to order
19 the Indian subsidiaries of each of these entities to stand
20 down and not interfere with their ability to access these
21 websites and get them back. Your Honor's orders directed all
22 of these various parties to not interfere with the trustee's
23 ability to get these things back and to, in fact, cooperate
24 with the trustee in turning those accounts, and applications,
25 and websites back over the trustee.

1 THE COURT: Which of these third party, Apple,
2 Microsoft, Stripe, Google, everybody else, the Indian
3 subsidiaries, who actually controls access? Is it the US
4 subsidiaries or is it the Indian subsidiaries?

5 MS. STEEGE: With regard to Apple, we understand
6 it is the US subsidiary. It's not clear with regard to the
7 other entities; although I suspect that it is the US
8 subsidiaries there. I think what they have done is they have
9 named the Indian subsidiaries because they can get control
10 and serve them properly in India with the hope -- it appears
11 to us anyway that the hope here is to create confusion.

12 Your Honor will recall Mr. Hailer testified at the
13 November 21st hearing that the weekend before that hearing he
14 was on a conversation with Mr. Byju Ravindran who indicated
15 that the Voizzit entities and Mr. Vellapalath were going to
16 be filing other lawsuits to muddy the waters with regard to
17 ownership of this property.

18 So, while Apple has indicated to us that they are
19 not going to do anything yet in connection with the Indian
20 lawsuit, go take care of this issue in the US Courts and the
21 Indian Courts to the extent that that is necessary if they
22 don't honor an order to dismiss this lawsuit. The concern is
23 that is going to create confusion. If you are going to have
24 an order of an Indian Court saying don't interfere with their
25 ability to take this and then you have got orders of the US

1 Court and US bankruptcy saying it's a violation of the
2 automatic stay for folks to interfere with the trustee's
3 control over these platforms, you have created a dispute over
4 title that is going to muddy the waters with those internet
5 providers and may cause them to throw up their hands and say
6 we don't want accounts for any of these parties because this
7 is just too confusing, which would be very damaging to this
8 business.

9 You are going to have buyers seeing all of this
10 litigation who are going to be very concerned about what can
11 they really buy here, what really is going on. So, this is
12 really just an ongoing effort, as we see it, to do what
13 Hailer testified he was told by Byju Ravindran they are
14 intending to do which is to make it very, very difficult for
15 the trustee to maximize value for these assets so that they
16 can come in and, you know, take over these businesses, buy
17 them on the cheap, somehow destroy the ability to maximize
18 value for the estate.

19 This clearly is a stay violation, Your Honor, in
20 the sense that if they had filed this lawsuit down the street
21 in a Delaware State Court there would be no question that
22 everybody would say this is a violation of the stay. The
23 fact that they chose to do it halfway around the world
24 doesn't change that fact. So, what we are asking the Court
25 to do is to order them to dismiss this lawsuit and we think

1 the standards for obtaining that injunction under the Third
2 Circuit precedent are met.

3 First, no question this violates the automatic
4 stay. They are seeking to obtain control over property of the
5 estate by directing the third-party providers of these IP
6 platforms to let them take those things back, sue the
7 trustee, which is also a violation of the Barton doctrine.
8 They are acting in an end-run around this Court's exclusive
9 jurisdiction over property of the estate as set forth in 28
10 U.S.C. 1334(e). The estates are going to be significantly
11 harmed if this lawsuit proceeds because its going to create a
12 cloud over title over the engine that basically drives these
13 businesses.

14 There is no harm to the defendants in entering
15 this temporary restraining order. They have no rights to take
16 these assets away from the bankruptcy estate. This is not
17 their property and they have never come in and done what you
18 would do normally if you thought you had a claim, which is to
19 bring an adversary proceeding in this Court to make that
20 determination because this Court is a Court that has
21 exclusive jurisdiction over that property. Instead, they
22 have engaged in various end-run self-help and now lawsuits in
23 other courts to try to accomplish inappropriately what they
24 have not done in accordance with the rules set forth in the
25 bankruptcy code.

1 THE COURT: Has the Indian Court taken any action
2 on the lawsuit at this point?

3 MS. STEEGE: As far as we know we think that all
4 they have done is set a hearing for later in January. I say
5 that, we had -- the trustee has counsel in India that is
6 working with her and because of where this Court is located
7 it doesn't have, you know, an ECF docket that you can see
8 immediately what is happening in that Court. So, we don't
9 think that there was a hearing held on December 4th which is
10 what the papers that Apple received suggested was going to be
11 the case.

12 They are going to that Court to try to find out.
13 Apparently, it takes a while for things to appear on a docket
14 and you need to, you know, go there and look at this. This
15 is not a court in a main, you know, urban area of India that
16 chose --

17 THE COURT: I looked at what Apple received, it
18 looked like a criminal case. Is it criminal or is it civil?

19 MS. STEEGE: We understand it to be civil, Your
20 Honor.

21 THE COURT: It made reference to criminal cause of
22 action.

23 MS. STEEGE: Yeah, but the Court that its filed in
24 is a commercial court. It was filed in the Commercial Court
25 of, I'm not saying the name of the town correctly, but

1 Ernakulam. So, if you look at the caption of it before the
2 Honorable Commercial Court of Ernakulam. That is not a court
3 that hears criminal matters. I think they are suggesting that
4 something untoward is happening by virtue of the trustee
5 getting back these platforms but they are not really telling
6 the whole story because they're not indicating anywhere in
7 here other than they are complaining that there is a Chapter
8 11 case pending against each of the debtors and that Your
9 Honor shouldn't have done that. In his declaration they are
10 not advising the Court all of the litigation that has
11 occurred that, you know, resulted in all of Your Honor's
12 prior stay orders.

13 THE COURT: Okay.

14 MS. STEEGE: So, as to the final factor, public
15 policy. Public policy is advanced by successful
16 reorganizations. Public policy is advanced by parties of
17 interest in bankruptcy cases complying with the automatic
18 stay which is intended to protect property of the estate so
19 that its value can be maximized and distributed to creditors
20 in accordance with priorities. There is no public policy in
21 favor of allowing parties to file lawsuits in violation of
22 the automatic stay.

23 So, we would ask that a temporary restraining
24 order be entered directing the dismissal by the Voizzit
25 defendants. We are not asking the Court to order the Indian

1 Court to do anything. What we are asking for is an order
2 directed against the bad actors to dismiss this lawsuit and -
3 -

4 THE COURT: Well, would it be more appropriate in
5 the context of a TRO since this is a temporary restraining
6 order and I don't believe anyone is on the line. Is anyone on
7 the line for Voizzit or any of the other defendants?

8 (No verbal response)

9 THE COURT: No. Because of the TRO on very short
10 notice, I think what we should be asking here is do I enter
11 an order directing the defendants not to pursue that action
12 but not necessarily dismiss the complaint and then have a
13 preliminary injunction where I would address the issue of
14 whether or not the complaint should be dismissed because
15 you're asking me for a mandatory injunction.

16 MS. STEEGE: Yes, Your Honor, I do understand
17 that. You know, if that is the relief Your Honor wishes to
18 grant that would be fine. We would ask that we have a
19 preliminary hearing, you know, as quickly as possible under
20 the rules so that they could be ordered to dismiss it. We
21 don't think -- based on what our Indian counsel told us and
22 why I think this is probably okay is that he indicates that
23 most courts in India are pretty much shut down over the
24 holidays so that it would be very hard for them to do
25 anything during the Christmas holiday season.

1 So, if they were ordered not to prosecute anything
2 in the next week or so before you would anticipate the courts
3 wouldn't be available to do anything that would probably work
4 with an order directing dismissal. What we are really most
5 concerned about, Your Honor, is making sure that there is an
6 order out there that the Indian Court can see if they do
7 attempt to do something that our counsel can present to them
8 indicating this is what the US Bankruptcy Court has indicated
9 with regard to this lawsuit because we do think that, you
10 know, the Indian Courts will understand the comity issues
11 that are present there with regard to all of this.

12 We think it will also provide support to the
13 extent that Google, or Apple, or Stripe, or any of these
14 parties start to become concerned that they need to allow
15 these bad actors back into the debtors websites or
16 applications.

17 THE COURT: Okay.

18 MS. STEEGE: I will say, Your Honor, on service,
19 Docket No. 7, I believe it is, is the certificate of service
20 by Veritas that served all of the Voizzit entities and Mr.
21 Vellapalath in the ways that Your Honor has ordered in the
22 past they should be served via email, overnight mail. They
23 have notice of this, the same notice that they got when they
24 have shown up in this Court to appear and take the positions
25 they have taken.

1 THE COURT: Okay. Well, its clear to me that
2 there is a violation of the automatic stay and that the
3 debtors have met the requirements for entry of a TRO at this
4 time. I will order a TRO that directs the defendants not to
5 take any action in connection with the lawsuit pending in
6 India until we have a preliminary injunction hearing.

7 Timing wise it puts us in a bind because two weeks
8 from today, which is what is required under the rules for a
9 preliminary injunction following a TRO would put us on
10 Christmas Day, so that doesn't work. I am out from the 23rd
11 through the 3rd of January. So, we need to have a hearing
12 before the holiday. My calendar is jammed.

13 MS. STEEGE: Your Honor, given the failure to
14 appear today, I suspect that they are going to ignore this
15 hearing.

16 THE COURT: Most likely.

17 MR. STEEGE: It will probably be very short, if
18 that is any comfort to Your Honor. I know you are very busy.

19 THE COURT: Let's schedule it for, I am trying to
20 look at my calendar here, Thursday the 19th. I actually have
21 a hearing in the BYJU Alpha case on that day at one o'clock.
22 So, why don't we combine this with that hearing and we will
23 have it on the 19th.

24 MS. STEEGE: Thank you, Your Honor. We will
25 revise the order accordingly based on your ruling.

1 THE COURT: Okay. Anything else for today?

2 MS. STEEGE: That is it. Thank you.

3 THE COURT: Thank you very much. We are
4 adjourned. I will see everybody on the 19th.

5 (Proceedings concluded at 10:19 a.m.)

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of my knowledge and ability.

/s/ William J. Garling

December 19, 2024

William J. Garling, CET-543

Certified Court Transcriptionist

For Reliable