

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

In re:

SAGA FORMATIONS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11161 (BLS)

(Jointly Administered)

Re D.I. 990

ORDER APPROVING TRUSTEE'S SETTLEMENT AGREEMENT WITH AMAZON

Upon consideration of the *Trustee's Motion for Entry of an Order Approving Settlement Agreement with Amazon* (the "Motion");² and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (M), and (O), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Trustee's notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and having heard the evidence and statements in support or in opposition of the relief requested therein at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing, if any, establish just cause for the relief granted herein; and this Court having found that the relief requested in the Motion demonstrates a sound exercise of the Trustee's business judgment and is in the best interest

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Saga Formations, Inc. (9113), Pajeau, Inc. (8758), and Tangible Play, Inc. (9331).

² Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Motion.



of the Debtors, their estates, creditors, and other parties in interest; and upon all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is **GRANTED** as set forth herein.
2. The Settlement Agreement annexed hereto as **Exhibit 1** is hereby **APPROVED**.
3. The Trustee is authorized to enter into and consummate the Settlement contemplated by the Settlement Agreement.
4. Amazon shall deliver \$638,927.00 to the Trustee as soon as practicable no later than thirty-five (35) calendar days after both (a) the Effective Date of the Settlement Agreement (as defined therein) and (b) Amazon receives a completed W-9 for the Trustee and a completed W-9 for the Trustee's counsel (if applicable).
5. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.
6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
7. This Court shall retain jurisdiction over the Parties with respect to all matters arising from or related to the implementation of this Order.

Dated: October 29th, 2025
Wilmington, Delaware


BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Settlement Agreement

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (“**Agreement**”) is made between Claudia Z. Springer, not individually but solely as chapter 11 trustee (the “**Trustee**”) of the estate of Tangible Play, Inc. (**Tangible Play**), on the one hand, and Amazon.com Services LLC and Amazon Web Services, Inc. (collectively, “**Amazon**”), on the other hand. The Trustee and Amazon are sometimes hereafter referred to as the “**Settling Parties**.”

RECITALS

WHEREAS, on June 4 and 5, 2024 (the “**Petition Date**”), involuntary petitions for relief under chapter 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the “**Bankruptcy Code**”), were filed against Tangible Play, Saga Formations, Inc. f/k/a Epic Creations, Inc., Pajeau, Inc. f/k/a Neuron Fuel, Inc. (the “**Debtors**”) in the U.S. Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”). The Debtors’ chapter 11 cases (the “**Bankruptcy Cases**”) are jointly administered under Lead Case No. 20-11218.

WHEREAS, on September 16, 2024, the Bankruptcy Court entered an order for relief in the Bankruptcy Cases and directed the appointment of a chapter 11 trustee [D.I. 147]. On September 23, 2024, the U.S. Trustee appointed Claudia Z. Springer as the Chapter 11 Trustee of each Debtor’s estate.

WHEREAS, prior to the Petition Date, Tangible Play sold products to Amazon pursuant to Amazon’s Vendor Terms and Conditions and other agreements agreed to by Tangible Play (collectively, the “**Vendor Agreements**”). Tangible Play also utilized Amazon’s advertising services for Tangible Play’s products sold in the [Amazon.com](#) store in accordance with the Amazon Advertising Agreement and incorporated policies (collectively, the “**Advertising Agreement**”).

WHEREAS, Amazon has asserted claims of setoff and recoupment (the “**Deduction**”) against funds payable to Tangible Play by Amazon.com Services LLC.

WHEREAS, the Trustee challenged the validity of the Deduction.

WHEREAS, to avoid the uncertainty, time, and expense of litigation, the Settling Parties have negotiated a global settlement of any and all claims among them on the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Settling Parties agree as follows:

AGREEMENT

1. ***Incorporation.*** The foregoing recitals are true and incorporated into this Agreement as though fully set forth herein by reference.
2. ***Scope.*** The Settling Parties have agreed to enter into this Agreement for the purpose of finally and completely resolving any and all claims they might have against one another, including without limitation, any claims arising under or in relation to the Vendor Agreements, Advertising Agreement, the Deduction, or the Bankruptcy Cases. The fact that this Agreement has been entered into shall not be construed as an admission of wrongdoing or liability

by any party hereto.

3. ***Effective Date.*** This Agreement will become effective (the “**Effective Date**”) upon the later to occur of: (a) the execution of this Agreement by the last Settling Party to sign it; and (b) the entry of a Final Order by the Bankruptcy Court authorizing the Trustee to enter into this Agreement. For the purposes of this Agreement, the term “Final Order” shall mean an order by the Bankruptcy Court that is final and no longer subject to appeal.

4. ***Settlement Payment.*** Amazon shall pay USD \$638,927.00 (the “**Settlement Payment**”) to the Trustee via ACH transfer to the following account:

Receiving Bank Name/Address: Veritex Community Bank, 8214 Westchester Drvie,
Suite 100, Dallas, TX 75225
ABA/Routing #: 113024164
Beneficiary Bank Account Title:
Account#: 5502004541
Swift Code: VECIUS44

Amazon shall deliver the Settlement Payment as set forth above as soon as practicable no later than thirty-five (35) calendar days after both (a) the Effective Date and (b) Amazon receives a completed W-9 for the Trustee and a completed W-9 for the Trustee’s counsel (if applicable).

5. ***Trustee’s Motion to Compromise Controversies.*** Within five (5) business days after the execution of this Agreement, the Trustee shall file with the Bankruptcy Court a motion requesting the approval of this Agreement pursuant to Federal Rule of Bankruptcy Procedure 9019 (the “**Settlement Motion**”), and shall notify the Bankruptcy Court of Trustee’s intent to make and honor all promises and releases contained herein in exchange for the Settlement Payment and the reciprocal promises and releases of Amazon.

6. ***Mutual Settlement and Release of Claims.***

(a) ***Trustee Releases.*** In consideration of the mutual promises, agreements, and covenants set forth herein, upon the receipt of the Settlement Payment, the Trustee, on behalf of the bankruptcy estate of Tangible Play, does hereby absolutely, fully and forever, release, acquit, relieve, waive, relinquish and discharge Amazon, and its predecessors, successors, parents, subsidiaries, affiliates, assigns, current and former agents, principals, employees, representatives, officers, directors, insurers, accountants, and attorneys, of and from any and all causes of action, claims, suits, rights, debts, defenses, deficiencies, liabilities, demands, defaults, claims, obligations, costs, expenses, sums of money, controversies, damages, accounts, reckonings and/or liens of any kind whatsoever, that the Trustee, Tangible Play, or the bankruptcy estate of Tangible Play, has or may have, as of the Effective Date, against Amazon, and its predecessors, successors, parents, subsidiaries, affiliates, assigns, current and former agents, principals, employees, representatives, officers, directors, insurers, accountants, and attorneys, whether known or unknown, direct or indirect, claimed or unclaimed, suspected or unsuspected, choate or inchoate, liquidated or unliquidated, contingent or determined, in law or in equity, including without limitation, under or in relation to Tangible Play, Tangible Play’s relationship with Amazon, the Vendor Agreements,

Advertising Agreement, the Deduction, and the Bankruptcy Cases (the “**Trustee Release**”). For the avoidance of doubt, the Trustee Release does not release any obligations created under this Agreement or any claim arising from this Agreement.

- (b) **Amazon Release.** In consideration of the mutual promises, agreements, and covenants set forth herein, upon the Effective Date, Amazon, does hereby absolutely, fully and forever, release, acquit, relieve, waive, relinquish and discharge the Trustee and the bankruptcy estate of Tangible Play, and their predecessors, successors, assigns, current and former agents, principals, employees, representatives, insurers, accountants, and attorneys, of and from any and all causes of action, claims, suits, rights, debts, defenses, deficiencies, liabilities, demands, defaults, claims, obligations, costs, expenses, sums of money, controversies, damages, accounts, reckonings and/or liens of any kind whatsoever, that Amazon has or may have, as of the Effective Date, against the Trustee and the bankruptcy estate of Tangible Play whether known or unknown, direct or indirect, claimed or unclaimed, suspected or unsuspected, choate or inchoate, liquidated or unliquidated, contingent or determined, in law or in equity in relation to Amazon’s business relationship with Tangible Play, the Vendor Agreements, the Advertising Agreement, the Deduction, and the Bankruptcy Cases (the “**Amazon Release**”). For the avoidance of doubt, the Amazon Release does not release any obligations created under this Agreement or any claim arising from this Agreement. Nor does the Amazon Release release any claims suits, rights, debts, defenses, deficiencies, liabilities, demands, defaults, obligations, costs, expenses, sums of money, controversies, damages, accounts, reckonings and/or liens of any kind whatsoever Amazon has against any individual or entity that is not a debtor in the Bankruptcy Cases, including without limitation Tangible Play’s non-debtor affiliates, parents, and subsidiaries.

7. **No Assignment of Claims.** The Settling Parties represent and warrant that they have not made or caused to be made any assignment or transfer of any right, claim, demand, or cause of action contemplated by the Trustee Release or Amazon Release.

8. **No Oral Amendment or Waiver.** The Settling Parties shall not at any time be deemed, by any act or omission, to have waived or amended any of their rights or remedies under this Agreement, unless such waiver or amendment is in writing and signed by the Settling Party against whom waiver or amendment is sought to be enforced. A waiver in connection with one event shall not be construed as a continuing waiver or as a bar to or waiver of any right or remedy in connection with any subsequent event.

9. **Complete Agreement.** This Agreement constitutes the full and complete understanding of the Settling Parties regarding its subject matter and supersedes any prior understanding or agreement, whether oral or in writing. No provision of this Agreement may be amended, modified, supplemented, changed, waived, discharged or terminated, except by an instrument in writing signed by an authorized representative of the party against whom enforcement of the amendment, modification, supplementation, change, waiver, discharge or termination is sought.

10. **Successor Bound.** This Agreement is binding on and inures to the

benefit of the Settling Parties and their respective agents, servants, employees, directors, officers, attorneys, accountants, affiliates, stockholders, members, partners, representatives, receivers, trustees, parents, subsidiaries, predecessors, successors, heirs and assigns.

11. ***Severability.*** In the event that any term, covenant or provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or against public policy, the remaining provisions of this Agreement shall remain in full force and effect, unless the effect of such determination would be to deny one of the Settling Parties the substantial performance for which such party had contracted (in which case the Settling Parties agree that the court may reform the contract as necessary to achieve substantial performance for which the Settling Parties had contracted).

12. ***Voluntary Agreement.*** The Settling Parties individually represent, warrant and agree that: (a) they have been represented by legal counsel of their choice in connection with the entering into this Agreement; (b) they are fully aware and clearly understand all of the terms and provisions contained in this Agreement; (c) they have voluntarily, with full knowledge and without coercion or duress of any kind, entered into this Agreement; (d) they are not relying on any representation, either written or oral, express or implied, made to them by any other Settling Party other than as set forth in this Agreement; and (e) the consideration received by them to enter into this Agreement and the settlement contemplated by this Agreement has been actual and adequate. Further, the Settling Parties represent, warrant and agree that they have relied upon the advice of their attorneys concerning the legal consequences of this Agreement.

13. ***Warranted Capacity To Execute Agreement.*** Subject to the need to obtain the Bankruptcy Court's approval of this Agreement under Federal Rule of Bankruptcy Procedure 9019, the Settling Parties represent and warrant to each other that they have the capacity and authority to execute this Agreement. Each person executing this Agreement in a representative capacity warrants that they have the right, power, legal capacity, and authority to enter into this Agreement on behalf of the represented Settling Party.

14. ***Construction of Terms.*** The terms of this Agreement are contractual and not mere recitals, and no representations have been made which are not contained herein. This Agreement was drafted with the input and comments of all Settling Parties. In the event of a dispute concerning the interpretation of any provision of this Agreement or any related document, the rule of construction to the effect that certain ambiguities are to be construed against the party drafting a document will not apply. All prior representations and understandings relied upon by the Settling Parties have been incorporated into the text of this Agreement.

15. ***Captions.*** The captions and headings used in this Agreement are inserted for reference purposes only and shall not be deemed to define, limit, extend, describe, or affect in any way the meaning, scope or interpretation of any of the terms of this Agreement or its intent.

16. ***Governing Law, Jurisdiction and Venue.*** This Agreement shall be deemed to be a contract made under the laws of the State of Delaware and shall, for all purposes, be construed and enforced in accordance with said laws (without regard to its choice of law rules) and the Bankruptcy Code. The Settling Parties agree that any dispute concerning the interpretation, effect or enforcement of this Agreement (including any lawsuit related thereto) shall be commenced in

the Bankruptcy Court or, if the Bankruptcy Court lacks jurisdiction, federal or state court located in Delaware. The Settling Parties consent and agree to the jurisdiction of such courts, and waive any claim or argument that such venue is improper, inappropriate or inconvenient.

17. ***Time of the Essence.*** Time is of the essence in the performance of each and every part of this Agreement.

18. ***Counterparts.*** This Agreement may be executed in counterparts, each of which will be deemed an original document, with the same force and effect as if all signatures appeared on one document. This Agreement also may be executed by facsimile or email signature with a copy of the signed original provided to counsel for the Settlement Parties by email or ordinary mail.

[Signatures on the following page]

IN WITNESS WHEREOF, the Settling Parties have entered into this Agreement as of the Effective Date.

**CLAUDIA SPRINGER, not individually
but solely as Chapter 11 Trustee for the
Estate of Tangible Play, Inc.**

Date: _____

AMAZON.COM SERVICES LLC,

By: _____

Title: _____

Date: _____

AMAZON WEB SERVICES, INC.

By: _____

Title: _____

Date: _____