

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

In re:

NU RIDE INC., *et al.*,¹

Reorganized Debtors.

Chapter 11

Case No. 23-10831 (MFW)

(Jointly Administered)

Obj. Deadline: September 19, 2024, at 4:00 p.m. (ET)

Hearing Date: September 26, 2024, at 10:00 a.m. (ET)

**JOINT MOTION OF THE POST-EFFECTIVE DATE DEBTORS AND CLAIMS
OMBUDSMAN FOR ENTRY OF AN ORDER (I) GRANTING LIMITED RELIEF
FROM FEDERAL RULE OF BANKRUPTCY PROCEDURE 3007,
AND (II) GRANTING RELATED RELIEF**

By this motion (the “Motion”), Nu Ride Inc. and its affiliated reorganized debtors in the above-captioned proceeding (the “Post-Effective Date Debtors”) and Alan Halperin, solely in his capacity as Claims Ombudsman (the “Claims Ombudsman” and together with the Post-Effective Date Debtors, the “Movants”), by and through their respective undersigned counsel, seek entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), granting limited relief from Rule 3007(e)(6) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) to permit (but not require) the Movants to exceed the one hundred (100) claim limitation for omnibus claim objections solely with respect to equity based claims and granting related relief. In support of the Motion, the Movants respectfully represent as follows:

PRELIMINARY STATEMENT

1. The Movants make this Motion for limited relief from Bankruptcy Rule 3007(e)(6) in the interest of ensuring a quick and efficient administration of the Debtors estates by allowing

¹ The Reorganized Debtors and the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Reorganized Debtors’ service address is: Nu Ride Inc. c/o William Gallagher, CEO, M 3 Partners, 1700 Broadway, 19th Floor, New York, NY 10019.



the Movants to file a single objection to Equity Claims² that were not required to file a proof of claim in these Chapter 11 Cases.

2. As set forth in the Bar Date Order, Holders of Equity Claims were not required to file a proof of claim on account of an equity security or other ownership interest in the Debtors, which interests are being preserved under the confirmed Plan. The Movants have identified more than 1,100 proofs of claim filed on account of such equity interests, which proofs of claim must be expunged from the Claims Register as improperly filed. While the proofs of claim will be expunged, the underlying common stock interests of the Equity Claim Holders will remain undisturbed.

3. The Movants therefore make this Motion solely for the administrative purpose of efficiently removing improperly filed proofs of claim from the Claims Register. Such relief will minimize the cost to the estates, which will ultimately maximize the value that may be available for distributions to the very Holders whose claims will be disallowed.

JURISDICTION AND VENUE

4. The Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334 and Article XII of the Plan. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

5. The statutory predicates for the relief requested herein are sections 105(a) of Title 11 of the United States Code (as amended and applicable herein, the “Bankruptcy Code”), Bankruptcy Rule 3007, and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure (the “Local Rules”).

² Capitalized terms used but not defined in the Preliminary Statement shall have the meaning ascribed to them in the Motion.

BACKGROUND

6. On June 27, 2023 (the “Petition Date”), Lordstown Motors Corp. and its affiliated debtors (the “Debtors”) filed voluntary petitions in the United States Bankruptcy Court for the District of Delaware (the “Court”) commencing these cases (the “Chapter 11 Cases”), which are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

7. On August 24, 2023, the Court entered the *Order (A) Establishing Bar Dates and Related Procedures for Filing Proofs of Claim, Including Claims Arising Under Section 503(b)(9) of the Bankruptcy Code, (B) Approving the Form, Manner, and Procedures of Notice Thereof, and (C) Granting Related Relief* [Dkt. No. 319] (the “Bar Date Order”).

8. On March 6, 2024, the Court entered the *Order (I) Confirming Third Modified First Amended Joint Chapter 11 Plan of Lordstown Motors Corp. and its Affiliated Debtors and (II) Granting Related Relief* (the “Confirmation Order”) [Dkt. No. 1069], confirming the Debtors’ Plan. As set forth in the *Notice of Effective Date and Entry of Order (I) Confirming the Third Modified First Amended Joint Chapter 11 Plan of Lordstown Motors Corp. and its Affiliated Debtors and (II) Granting Related Relief* (the “Notice of Effective Date”) [Dkt. No. 1096], the Plan became effective on March 14, 2024 (the “Effective Date”).

9. Pursuant to the Confirmation Order and Plan, on the Effective Date, Alan D. Halperin was appointed Claims Ombudsman in these Chapter 11 Cases. *See* Confirmation Order, ¶ 68; Plan, Article V.D.1. As Claims Ombudsman, Alan D. Halperin has the right, authority, and responsibility to object to, seek to subordinate, compromise or settle any and all General Unsecured Claims, including by filing and prosecuting objections to General Unsecured Claims, subject to the limitations set forth in the Plan. Confirmation Order, ¶ 69, Plan, Article V.D.2. Additionally, the Claims Ombudsman has the right to assert any and all rights and defenses that

the applicable Debtor had with respect to any General Unsecured Claim immediately before the Effective Date. *Id.* All rights not expressly delegated to the Claims Ombudsman under the Plan are expressly reserved to the Post-Effective Date Debtors. *Id.*

10. The Bar Date Order provides that “[a]ny person or entity holding an equity security or other ownership interest in the Debtors . . . is not required to file a proof of interest on or before the applicable Bar Date.” *See* Bar Date Order, ¶ 15. Only those equity security holders who had claims against the Debtors for damages based on the purchase or sale of their equity security or other ownership were required to file a proof of such claim by the Bar Date. *Id.*

11. As of the Effective Date of the Plan, Common Stock Interests, classified as Class 7 interests under the Plan, are retained. Plan, Art. III.B.7(b). As set forth in Article IV.C of the *Disclosure Statement Pursuant to 11 U.S.C. §§ 1125 With Respect to Modified First Amended Joint Chapter 11 Plan of Lordstown Motors Corp. and Its Affiliated Debtors* (the “Disclosure Statement”) [Dkt. No. 658], Holders of Common Stock interests retain their rights as stockholders in Post-Effective Date LMC and the New Board of Post-Effective Date LMC may elect to distribute Post-Effective Date Debtor Cash to Holders of Common Stock Interests. Art. IV.C. Indeed, the Disclosure Statement indicates that a central component of the Plan is to “preserve the Debtors’ Common Stock Interests, including for the purpose of making future distributions. *Id.* at Art. IV.A. Treatment as a Class 7 Interest does not require that such Common Stock Interest Holders have filed a proof of claim.

12. The claims register for these Chapter 11 Cases (the “Claims Register”), prepared and maintained by Verita, shows that 1,647 proofs of claim have been filed against the Debtors as of the filing of this Objection. Of those filed proofs of claim, the Movants have identified more

than 1,119 claims that are filed by shareholders based on the ownership of equity securities in one of the Debtors (collectively, the “Equity Claims”).

BASIS FOR RELIEF REQUESTED

13. By this Motion, the Movants seek limited relief from Bankruptcy Rule 3007 to exceed the 100 claim limitation for omnibus claims objections with respect to proofs of claim filed on account of ownership of equity securities in one of the Debtors. The Movants believe the requested relief is in the interests of justice and will ensure an efficient administration of the Debtors’ estates without compromising the interests of the Holders of Equity Claims.

14. The Equity Claims identified by Movants are based solely on ownership of an equity interest and do not assert any claims for damages based on the purchase or sale of such equity security or other ownership interest. Accordingly, such equity security holders were not required to file a proof of claim in these Chapter 11 Cases.

15. As the Equity Claims were improperly filed and are not required to preserve the equity based interests of their respective Holders, the Movants request relief from Bankruptcy Rule 3007 to efficiently expunge such interests from the claims register.

16. Pursuant to section 105(a) of the Bankruptcy Code, the Court may “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this Title.” 11 U.S.C. § 105(a). The Court has discretion to modify the Bankruptcy Rules as the circumstances warrant. *See* Bankruptcy Rule 3007(c). Furthermore, leave from the Local Rules may be sought for cause and the Local Rules may be modified by the Court in the interest of justice. *See* Local Rules, 3007-1(f)(ii); 1001(c). The Bankruptcy Rules “shall be construed, administered and employed by the court and the parties to secure the just, speedy, and inexpensive determination of every case and proceeding.” *See* Bankruptcy Rule 1001.

17. Absent relief from the Court, the Bankruptcy Rules prescribe that the Movants file 12 separate omnibus objections to expunge the improperly filed claims. Such a result would be inefficient and, more importantly, require the Estates to spend considerable resources that may otherwise serve as a source for distribution to Holders of Equity Interests.

18. The Movants intend to object to the Equity Claims on the non-substantive ground that such claims are filed by shareholders based on ownership of stock. While the Local Rules proscribe substantive objections in excess of 100 claims, they are silent on the number of claims that may be included in a non-substantive objection. The Movants therefore make this Motion in an abundance of caution to request relief from the claim limitation to the extent it applies.

19. Cause therefore exists for this Court to exercise its discretion to grant relief from Bankruptcy Rule 3007(e)(6) to exceed the 100 claim limitation for omnibus claim objections with respect to proofs of claim filed on account of ownership of equity securities in one of the Debtors. The requested relief is in the best interests of the Debtors, their estates and all parties in interest, including equity security holders.

NOTICE

20. Notice of this Motion was served upon the following parties or their respective counsel: (i) the Office of the U.S. Trustee; and (ii) all parties entitled to notice pursuant to Bankruptcy Rule 2002. Movants submit that, in light of the nature of the relief requested, no further notice need be given.

NO PRIOR REQUEST

21. Movants have not made any prior request for the relief sought herein to this Court or any other court.

WHEREFORE, Movants respectfully request the entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and proper.

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Dated: September 12, 2024

/s/ David M. Klauder

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EXHIBIT A

Proposed Order

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

In re:

NU RIDE INC., *et al.*,¹

Reorganized Debtors.

Chapter 11

Case No. 23-10831 (MFW)

(Jointly Administered)

Re: Docket No. ____

**ORDER GRANTING JOINT MOTION OF THE POST-EFFECTIVE DATE
DEBTORS AND CLAIMS OMBUDSMAN FOR ENTRY OF AN ORDER (I)
GRANTING LIMITED RELIEF FROM FEDERAL RULE OF BANKRUPTCY
PROCEDURE 3007, AND (II) GRANTING RELATED RELIEF**

Upon consideration of the *Joint Motion of the Post-Effective Date Debtors and Claims Ombudsman for Entry of an Order (I) Granting Limited Relief from Federal Rule of Bankruptcy Procedure 3007, and (II) Granting Related Relief* (the “Motion”) filed by the Post-Effective Date Debtors and Alan Halperin, solely in his capacity as Claims Ombudsman², seeking limited relief from Rule 3007(e)(6) of the Federal Rules of Bankruptcy Procedure to exceed the 100 claim limitation for omnibus claims objections solely with respect to claims based solely on ownership of equity securities in one of the Debtors (the “Equity Claims”) and granting related relief all as more fully set forth in the Motion; and the Court having reviewed the Motion and having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334, the *Amended Standing Order of Reference* dated February 29, 2012 issued by the Court, and Article

¹ The Reorganized Debtors and the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Reorganized Debtors’ service address is: Nu Ride Inc. c/o William Gallagher, CEO, M 3 Partners, 1700 Broadway, 19th Floor, New York, NY 10019.

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

XII of the Plan; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; this Court having determined that there is good and sufficient cause for the relief set forth in this Order; and after due deliberation thereon, IT IS HEREBY ORDERED THAT

1. The Motion is GRANTED as set forth herein.
2. The Post-Effective Date Debtors and Claims Ombudsman (or any other party in interest) are granted leave from Bankruptcy Rule 3007 for the limited purpose of objecting to proofs of claim on the sole basis that such proofs of claim were filed by a shareholder based on the ownership of equity securities in one of the Debtors.
3. Nothing in the Objection or this Order, nor any actions or payments made by the Post-Effective Date Debtors pursuant to this Order, shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Movants' or any other party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order; (e) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (f) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.
4. The Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.
5. Movants are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

6. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

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

In re:

NU RIDE INC., *et al.*,¹

Reorganized Debtors.

Chapter 11

Case No. 23-10831 (MFW)

(Jointly Administered)

Obj. Deadline: September 19, 2024, at 4:00 p.m. (ET)

Hearing Date: September 26, 2024, at 10:00 a.m. (ET)

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that on September 12, 2024, Nu Ride Inc. and its affiliated reorganized debtors in the above-captioned proceeding (the “Post-Effective Date Debtors”) and Alan Halperin, solely in his capacity as Claims Ombudsman (the “Claims Ombudsman” and together with the Post-Effective Date Debtors, the “Movants”), through their respective undersigned counsel, filed the *Joint Motion of the Post-Effective Date Debtors and Claims Ombudsman for Entry of an Order (i) Granting Limited Relief from Federal Rule of Bankruptcy Procedure 3007, and (ii) Granting Related Relief* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that objections or responses to the relief requested in the Motion, if any, must be made in writing and filed with the Clerk of the Court, 3rd Floor 824 North Market Street, Wilmington, Delaware 19801, on or before **September 19, 2024, at 4:00 p.m. (ET)**.

PLEASE TAKE FURTHER NOTICE that a hearing with respect to the Motion, if required, will be held before the Honorable Mary F. Walrath, United States Bankruptcy Judge for the District

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of Delaware, at the Court, 824 North Market Street, 5th Floor, Courtroom 4, Wilmington, Delaware 19801 on **September 26, 2024, at 10:00 a.m. (ET)**.

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

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Dated: September 12, 2024

/s/ David M. Klauder

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