

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

In re:

NVN Liquidation, Inc., *et al.*,
f/k/a NOVAN, Inc.¹

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Obj. Deadline: July 15, 2024 at 4:00 p.m. (ET)

Hearing Date: TBD

**MOTION OF THE TRUSTEE FOR ENTRY OF ORDER FURTHER EXTENDING THE
PERIOD WITHIN WHICH THE TRUSTEE MAY REMOVE ACTIONS PURSUANT TO
28 U.S.C. § 1452 AND RULES 9006 AND 9027 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE AND GRANTING RELATED RELIEF**

By this motion (the “Motion”), Alan D. Halperin, solely in his capacity as liquidating trustee (the “Trustee”) of the Liquidating Trust (the “Trust”) as successor in interest to the remaining assets of the above-captioned debtors (collectively, the “Debtors”), by and through his undersigned counsel, seeks entry of an order pursuant to 28 U.S.C. § 1452 and Rules 9006(b) and 9027 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), further extending the time by which the Trustee may file notices of removal under Rule 9027 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) by one year, through and including August 12, 2025. In support of this Motion, the Trustee respectfully states as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (this “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order*

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors’ federal tax identification number, are: NVN Liquidation, Inc. (f/k/a Novan, Inc.) (7682) and EPI Health, LLC (9118).



of Reference from the United States District Court for the District of Delaware, dated February 29, 2012. The Trustee confirms his consent, pursuant to Local Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this Motion to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested herein are 28 U.S.C. § 1452, Bankruptcy Rules 9006(b) and 9027, and Local Rules 9006-2.

BACKGROUND

4. On July 17, 2023 (the “Petition Date”), the Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in this Court. The Debtors’ bankruptcy cases are jointly administered under Case No. 23-10937 (these “Cases”). On July 28, 2023, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Committee”) pursuant to section 1102 of the Bankruptcy Code in these Cases [Docket No. 72]. No trustee or examiner has been appointed in these Cases.

5. On January 26, 2024 (the “Confirmation Date”), this Court entered the *Order (I) Approving Amended Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors as Containing Adequate Information on a Final Basis and (II) Confirming Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors* [Docket No. 568] (the “Confirmation Order”) confirming the *Amended \Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors* dated January 26, 2024

[Docket No. 568-1] together with the Plan Supplement [Docket No. 522] and the amendment thereto [Docket No. 543] (collectively, as amended, supplemented, or otherwise modified, the “Plan”). The Plan became effective on April 30, 2024 (the “Effective Date”) [Docket No. 677].

6. On the Effective Date, in accordance with the Confirmation Order, the Plan and the *NVN Liquidating Trust Agreement* (the “Trust Agreement”), the Trust was established, and the Trustee was appointed as Trustee of the Trust and the duly appointed representative of each of the Debtors and their estates with all rights and powers of a trustee under the Bankruptcy Code.

7. In accordance with the Plan and the Trust Agreement, any Retained Causes of Action (as defined in the Plan), to the extent not liquidated prior to the Effective Date by the Debtors, were preserved and contributed by the Debtors to the Trust so that these causes of action may be investigated, prosecuted and/or settled in the Trustee’s discretion, conferring with the Oversight Committee with respect thereto.

8. Prior to the Effective Date, on March 1, 2024, this Court entered an *Order Further Extending the Deadline Within Which the Debtors May File Notices to Remove Actions Pursuant to 28 U.S.C. § 1452 Rules 9006 and 9027* [Docket No. 624] extending the Debtors’ deadline for removing pending civil actions to this Court to August 12, 2024 (the “Current Deadline”).²

RELIEF REQUESTED

9. By this Motion, the Trustee requests entry of the Proposed Order, pursuant to 28 U.S.C. § 1452 and Bankruptcy Rules 9006(b) and 9027, extending the Current Deadline by one year through and including August 12, 2025 (the “Extended Deadline”), without prejudice to the Trustee’s right to seek further extensions, and granting related relief. The Trustee requests that the proposed Extended Deadline apply to all matters specified in Bankruptcy Rules 9027(a)(2) and 9027(a)(3).

² Pursuant to Local Rule 9006-2, the filing of this Motion prior to the Current Deadline serves to automatically extend the Current Deadline until such time as the Court rules on this Motion. *See* Del. Bankr. L.R. 9006-2.

BASIS FOR RELIEF

10. 28 U.S.C. § 1452 provides for the removal of pending civil claims with respect to which federal district courts have jurisdiction under 28 U.S.C. § 1334. Section 1452(a) provides in pertinent part as follows:

A party may remove any claim or cause of action in a civil action other than a proceeding before the United States Tax Court or a civil action by a governmental unit to enforce such governmental unit's police or regulatory power, to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title.

28 U.S.C. § 1452(a).

11. Bankruptcy Rule 9027 establishes the deadline for filing notices of removal of claims or causes of action. Bankruptcy Rule 9027(a)(2) provides in pertinent part as follows:

If the claim or cause of action in a civil action is pending when a case under the [Bankruptcy] Code is commenced, a notice of removal may be filed [in the bankruptcy court] only within the longest of (A) 90 days after the order for relief in the case under the [Bankruptcy] Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under § 362 of the [Bankruptcy] Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

Fed. R. Bankr. P. 9027(a)(2).

12. With respect to post-petition actions, Bankruptcy Rule 9027(a)(3) provides that a notice of removal may be filed:

only within the shorter of (A) 30 days after receipt, through service or otherwise, of a copy of the initial pleading setting forth the claim or cause of action sought to be removed, or (B) 30 days after receipt of the summons if the initial pleading has been filed with the court but not served with the summons.

Fed. R. Bankr. P. 9027(a)(3).

13. Finally, Bankruptcy Rule 9006(b)(1) provides that the Court can extend unexpired time periods, including the removal periods in Bankruptcy Rule 9027, without notice, upon a showing of cause:

[W]hen an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion ... with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order[.]

Fed. R. Bankr. P. 9006(b)(1).

14. It is established that this Court is authorized to extend the removal periods set by Bankruptcy Rule 9027. *See, e.g., Pacor, Inc. v. Higgins*, 743 F.2d 984, 996 n.17 (3d Cir. 1984) (stating that pursuant to Bankruptcy Rule 9006(b), “it is clear that the court may grant such an extension [of time to remove]”), *effectively overruled in part on other grounds by Things Remembered, Inc. v. Petrarca*, 516 U.S. 124 (1995); *Caperton v. A.T. Massey Coal Co.*, 251 B.R. 322, 325 (S.D. W. Va. 2000) (stating Bankruptcy Rule 9006(b) allows courts to enlarge the time period for removal of actions pursuant to Bankruptcy Rule 9027); *Saint Joseph’s Hosp. v. Dep’t of Pub. Welfare of Pa. (In re Saint Joseph’s Hosp.)*, 103 B.R. 643, 648 (Bankr. E.D. Pa. 1989) (extending the 90-day time period in which to seek removal of pending state court litigation); *In re World Fin. Servs. Ctr. Inc.*, 81 B.R. 33, 39 (Bankr. S.D. Cal. 1987) (stating that the court may enlarge the time period for filing removal notices under Bankruptcy Rule 9027(a)(3)).

15. The Trustee was appointed two months ago and is requesting an extension of the Current Deadline so he has sufficient time to evaluate the pending causes of action as well as others (if any) that may still be filed, and whether to seek to remove any of these actions. The Trustee respectfully submits that he and his professionals will require a reasonable amount of additional time to complete their evaluation of whether removal is appropriate in any litigation matters.

16. Accordingly, the Trustee seeks an extension of the Current Deadline under Bankruptcy Rule 9027(a) to protect the right to remove those civil actions for which he may determine that removal is appropriate. The extension sought will afford the Trustee the needed time to determine whether to remove pending civil actions, if any, and will ensure that the Trustee does not forfeit valuable rights under 28 U.S.C. §1452. Critically, the rights of other parties to the relevant litigation will not be prejudiced by the extension because any party to an action that is removed may seek to have the litigation remanded to the state court pursuant to 28 U.S.C. §1452(b).³

17. For the reasons stated above, the Trustee submits that cause exists to extend the Current Deadline to the Extended Deadline, which relief is in the best interest of the Trust and its beneficiaries. Moreover, requests by debtors for extensions of the removal period have been routinely granted by courts in this district. *See, e.g., In re Corp Group Banking S.A.*, Case No. 21-10969 (JKS) (Bankr. D. Del. Oct. 13, 2021) (granting 120-day extension); *In re Alex and Ani, LLC*, Case No. 21-10918 (CTG) (Bankr. D. Del. Sept. 20, 2021) (same); *In re Nine Point Energy Holdings, Inc.*, Case No. 21-10570 (MFW) (Bankr. D. Del. Jun. 23, 2021) (same); *In re Francesca's Holding Corp.*, Case No. 20-13076 (BLS) (Bankr. D. Del. Mar. 15, 2021) (same); *In re YouFit Health Clubs, LLC*, Case No. 20-12841 (MFW) (Bankr. D. Del. Jan. 19, 2021) (same); *In re 24 Hour Fitness Worldwide, Inc.*, Case No. 20-11558 (KBO) (Bankr. D. Del. Oct. 20, 2020) (same).

NOTICE

18. The Trustee has provided notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee and (b) all parties entitled to notice pursuant to Bankruptcy

³ 28 U.S.C. § 1452(b) provides that “[t]he court to which [a] claim or cause of action is removed may remand such claim or cause of action on any equitable ground. An order entered under this subsection remanding a claim or cause of action, or a decision to not remand, is not reviewable by appeal or otherwise....” 28 U.S.C. § 1452(b).

Rule 2002. The Trustee submits that, in light of the nature of the relief requested, no further notice need to be given.

WHEREFORE, the Trustee respectfully requests 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.

Dated: July 1, 2024
Wilmington, Delaware

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Counsel to the Trustee

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

In re:

NVN Liquidation, Inc., *et al.*,
f/k/a NOVAN, Inc.¹

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Obj. Deadline: July 15, 2024 at 4:00 p.m. (ET)

Hearing Date: TBD

**NOTICE OF MOTION OF THE TRUSTEE FOR ENTRY OF ORDER FURTHER
EXTENDING THE PERIOD WITHIN WHICH THE TRUSTEE MAY
REMOVE ACTIONS PURSUANT TO 28 U.S.C. § 1452 AND RULES 9006 AND 9027
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE
AND GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that, Alan D. Halperin, solely in his capacity as liquidating trustee (the “Trustee”) of the Liquidating Trust (the “Trust”), by and through the undersigned counsel, filed *Motion of the Trustee for Entry of Order Further Extending the Period Within Which the Trustee May Remove Actions Pursuant to 28 U.S.C. § 1452 and Rules 9006 and 9027 of the Federal Rules of Bankruptcy Procedure and Granting Related Relief* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that, any responses or objections to the Motion must be in writing and filed with the Clerk of the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **July 15, 2024 at 4:00 p.m. (ET)** and served upon the undersigned counsel.

PLEASE TAKE FURTHER NOTICE that, if any objections to the Motion are received, the Motion and such objections shall be considered at a hearing before The Laurie Selber Silverstein, United States Bankruptcy Judge for the District of Delaware, at the Court, 824 North

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors’ federal tax identification number, are: NVN Liquidation, Inc. (f/k/a Novan, Inc.) (7682) and EPI Health, LLC (9118).

Market Street, 6th Floor, Courtroom 2, Wilmington, Delaware 19801 on **date and time to be determined**.

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.

Dated: July 1, 2024
Wilmington, Delaware

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Counsel to the Trustee

Exhibit A

Proposed Order

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

In re:

NVN Liquidation, Inc., *et al.*,
f/k/a NOVAN, Inc.,¹

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Re: Docket No. ____

**ORDER FURTHER EXTENDING THE PERIOD WITHIN WHICH THE
TRUSTEE MAY REMOVE ACTIONS PURSUANT TO 28 U.S.C. § 1452 AND
RULES 9006 AND 9027 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE AND GRANTING RELATED RELIEF**

Upon consideration of the motion (the “Motion”) filed by the Trustee² for entry of an order pursuant to Bankruptcy Rules 9006(b) further extending the time by which the Plan Administrator may file notices of removal under 28 U.S.C. § 1452 and Bankruptcy Rule 9027 and granting related relief, all as more fully set forth in the Motion; and the Court having reviewed the Motion having determined that the relief requested in the Motion is in the best interests of the Trust, its beneficiaries 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 and the *Amended Standing Order of Reference*, dated February 29, 2012, issued by the United States District Court for the District of Delaware; 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

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

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 time periods provided under Bankruptcy Rule 9027(a)(2) and 9027(a)(3) within which the Trustee may file notices of removal of any and all civil actions is extended to and including August 12, 2025, to the extent that the time period for filing any such notices of removal expires on or before such date.
3. This Order shall be without prejudice to (a) any position the Trustee may take regarding whether the injunctions or stays provided for in these Cases under sections 105 or 362 of the Bankruptcy Code, the Plan or otherwise apply to stay any pending civil action in which any of the Debtors is a party and (b) the rights of the Trustee to seek from this Court further extensions of the period within which notices of removal may be filed under Bankruptcy Rule 9027.
4. The Trustee is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.
5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.