

SUBSTANTIVE RIGHTS MAY BE AFFECTED BY THIS OBJECTION. CLAIMANTS RECEIVING THIS OBJECTION SHOULD REVIEW IT TO SEE IF THEIR NAMES APPEAR ON THE SCHEDULES ATTACHED HERETO TO DETERMINE WHETHER THE OBJECTION AFFECTS THEIR CLAIMS. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT TRUSTEE’S COUNSEL, HALPERIN BATTAGLIA BENZIJA, LLP, ATTENTION LIGEE GU, AT 212-765-9100 EXT. 108 OR BY EMAIL AT LGU@HALPERINLAW.NET

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

In re:	Chapter 11
NVN Liquidation, Inc. f/k/a NOVAN, Inc., <i>et al.</i> , ¹	Case No. 23-10937 (LSS)
Debtors.	(Jointly Administered)
	Obj. Deadline: December 10, 2024 at 4:00 p.m.(ET) Hearing Date: December 17, 2024 at 2:00 p.m. (ET)

**TRUSTEE’S FIRST OMNIBUS OBJECTION TO CLAIMS (SUBSTANTIVE)
(Equity Claims, Misclassified Claims, No Liability Claims)**

Alan D. Halperin, solely in his capacity as liquidating trustee (the “Trustee”) of the NVN Liquidation, Inc. Liquidating Trust (the “Trust”) as successor in interest to the remaining assets of NVN Liquidation, Inc. f/k/a Novan, Inc. and EPI Health, LLC (collectively, the “Debtors”), by and through his undersigned counsel, hereby files this First Omnibus Objection to Claims (Substantive) (the “Objection”), pursuant to §§ 105(a), 502, 503 and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 3007(d) and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), seeking entry of an order substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”): (a) reclassifying the claims identified on **Schedule 1** attached to the Proposed Order as equity interests

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).



and disallowing and expunging the Claims in accordance with the Plan (defined below) (the “Equity Claims”), (b) reclassifying the claims identified on Schedule 2 attached to the Proposed Order to general unsecured class as reflected thereon (the “Misclassified Claims”); and (c) disallowing and expunging claims identified on Schedule 3 attached to the Proposed Order in their entirety (the “No Liability Claims”). In support of this Objection, the Trustee submits the *Declaration of Alan Halperin Pursuant to 28 U.S.C. § 1746 and Local Rule 3007-1 in Support of the Trustee’s First Omnibus Objection to Claims (Substantive)* (the “Declaration”) attached hereto as Exhibit B. In further support of this Objection, 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 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), to the entry of a final order by the Court in connection with this Objection 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 §§ 105(a), 502, 503 and 507 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9014 and Rule 3007-1 of the Local Rules.

BACKGROUND

4. On July 17, 2023 (the “Petition Date”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors’ bankruptcy cases are jointly administered under Case No. 23-10937 (these “Cases”).

5. On July 19, 2023, the Court entered an order authorizing and approving the retention of Kurtzman Carson Consultants, LLC, now doing business as Verita Global, as claims and noticing agent (the “Claims Agent”) in these Cases [Docket No. 35] to, among other things, maintain the official claims register for the Debtors (the “Claims Register”).

6. Pursuant to an order entered on September 20, 2023 [Docket No. 304] (the “Bar Date Order”), this Court established (a) October 25, 2023 at 5:00 p.m. (the “General Bar Date”) as the deadline for all non-governmental entities and persons to file proofs of claims against the Debtors and their estates that arose prior to the Petition Date (including secured claims, unsecured priority claims, unsecured non-priority claims, and claims arising under section 503(b)(9) of the Bankruptcy Code), and (b) January 16, 2024 as the deadline for governmental entities to file any such pre-petition claims against the Debtors (the “Governmental Bar Date”). In accordance with the Bar Date Order, the Claims Agent served a *Notice of Bar Dates for Filing Proofs of Claim Against the Debtors* [Docket No. 318] upon all known creditors of the Debtors [Docket Nos. 358 and 387]. Additionally, in accordance with the Bar Date Order, notice of the Bar Dates was published in USA TODAY [Docket No. 330].

7. During the pendency of the Cases, the Debtors sold or abandoned substantially all of their operating assets, ceased business operations and terminated all of its employees in the third quarter of 2023.

8. On January 26, 2024 (the “Confirmation Date”), this Court entered an *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].

9. 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.

10. In accordance with the Plan and the Trust Agreement, from and after the Effective Date, the Trustee is empowered to, among other things, object to, compromise, and/or settle any claims against the Debtors.

11. Pursuant to the Plan, the Trustee’s current deadline to object to claims is one (1) year after the Effective Date (*i.e.* April 30, 2025).

12. Under the Plan, all equity Interests² in the Debtors³ (“Equity Interests”) were deemed canceled, extinguished, and discharged as of the Effective Date and holders of such interests will receive no distribution pursuant to the Plan. *See Plan* at Sections 2.1 and 7.6.

13. In the ordinary course of their business, the Debtors maintained books and records that reflected the nature and amounts of the Debtors’ obligations to creditors, as well as payments made on account of such obligation (the “Books and Records”).

² “Interests” is defined in the Plan as equity security, within the meaning of Section 101(16) of the Bankruptcy Code. *Plan* at Section 1.63.

³ Debtor NVN Liquidation, Inc. f/k/a Novan, Inc. wholly owned EPI Health, LLC and was a publicly traded company with its shares listed on the Nasdaq Stock Market, but was delisted shortly after the Petition Date.

RELIEF REQUESTED

14. By this Objection, and for the reasons set forth more fully below, the Trustee objects to the Equity Claims, the Misclassified Claims and the No Liability Claims (collectively, the “Subject Claims”) pursuant to §§ 105(a), 502, 503 and 507 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9014, and Local Rule 3007-1 and requests entry of the Proposed Order reclassifying, disallowing and/or expunging each of the Subject Claims as reflected in **Schedules 1, 2, and 3** to the Proposed Order.

OBJECTION TO CLAIMS

15. As set forth in the Declaration, the Trustee’s professionals examined the Subject Claims, all supporting documentation provided by the claimants, if any, and the Books and Records and have identified the Subject Claims as Equity Claims that should be expunged consistent with the Plan, Misclassified Claims that should be reclassified in accordance with the Bankruptcy Code or No Liability Claims as inconsistent with the Books and Records.

16. Section 502(a) of the Bankruptcy Code provides, in pertinent part, that “[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). Once an objection to a claim is filed, the Court, after notice and hearing, shall determine the allowed amount of the claim. 11 U.S.C. § 502(b).

17. When asserting a proof of claim against a bankruptcy estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the claimant. *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992); *Matter of Int’l Match Corp.*, 69 F.2d 73, 76 (2d Cir. 1934) (finding that a proof of claim should at least allege facts from which legal liability can be seen to exist). Where a claimant alleges sufficient facts to support its claim, its claim is afforded prima facie validity. *In re Allegheny Int’l, Inc.*, 954 F.2d at 173. A party wishing to dispute such a claim must produce evidence in sufficient force to negate the claim’s prima facie validity. *Id.* In

practice, the objecting party must produce evidence that would refute at least one of the allegations essential to the claim's legal sufficiency. *Id.* Once the objecting party produces such evidence, the burden shifts back to the claimant to prove the validity of his or her claim by a preponderance of the evidence. *Id.* The burden of persuasion is always on the claimant. *Id.*

A. Equity Claims

18. The Trustee's objects to each of the Equity Claims listed in **Schedule 1** to the Proposed Order because a review of such claims and the supporting documentation provided by the claimant, if any, reflect that each of the Equity Claims are on account of profit interests, stock grants and/or redemption rights relating to their employment with the Debtors, which are Equity Interests cancelled and extinguished under the Plan. As such, the claimant is not entitled to any claim against the Debtors, and the Equity Claims should be reclassified as Equity Interests and expunged to ensure that the claimant does not receive a distribution in violation of the Plan.

19. Accordingly, by this Objection, the Trustee seeks to reclassify the Equity Claims as Equity Interests pursuant to §§ 105(a) and 502 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9014, and Local Rule 3007-1 and expunge such claims from the Claims Register consistent with the Plan. The basis for reclassifying the Equity Claims is also set forth on the Schedule I in the column labeled "Reason for Reclassification and Disallowance."

B. Misclassified Claims

20. The Trustee objects to the Misclassified Claims listed in **Schedule 2** to the Proposed Order because such claims improperly assert (a) administrative expense claims under § 503(b)(9) of the Bankruptcy Code for goods sold to and received by the Debtor within 20 days before the Petition Date when it is clear that the claim is only for services, or (b) priority claims under § 507(a)(4) of the Bankruptcy Code for wage, salary, or commission even though the claimant was not an employee or contractor of the Debtors. Therefore, based on the Trustee and his professionals' review of the

Misclassified Claims, they have determined that these claims fail to provide a sufficient basis for the asserted administrative expense or priority status (in whole or in part) and are not otherwise supported under the Bankruptcy Code and/or the Plan. Thus, by this Objection, the Plan Administrator seeks to reclassify the Misclassified and Overstated Claims pursuant to §§ 105(a), 502, 503 and 507 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9014, and Local Rule 3007-1 solely as general unsecured claims to ensure that the claimants do not receive a greater recovery on account of their claims than one to which they are entitled under the Bankruptcy Code. The bases for reclassifying the Misclassified Claims are set forth in the column labeled “Reason for Reclassification to General Unsecured Claim.”

21. The Trustee expressly reserves the right to further object to the Misclassified Claims on other bases in accordance with Local Rule 3007-1(f)(iii).

C. **No Liability Claims**

22. The Trustee objects to the No Liability Claims listed in **Schedule 3** to the Proposed Order as they consist of claims that have no basis in fact or law that would support the liability asserted. Based on the Trustee’s professionals’ review of the proofs of claim and supporting documentation, if any, provided by the claimant, as well as the Books and Records, there is no basis for liability.

23. Therefore the Trustee objects to the No Liability Claims and seeks an order disallowing and expunging these claims in their entirety as reflected in **Schedule 3** to the Proposed Order. The more particular basis for each individual disallowance is set forth in **Schedule 3** to the Proposed Order under the column “Reason for Disallowance”. Failure to disallow the No Liability Claims will result in the holders of such claims receiving a recovery to which they are not entitled.

RESPONSES TO OBJECTIONS

24. Any holder of any of the Subject Claims who wants to contest this Objection must file and serve a written response to this Objection (a “Response”) so that it is received no later than **4:00 p.m. (Eastern Time) on December 10, 2024** (the “Response Deadline”). **The Proposed Order and the attached Schedules should be read carefully.**

25. Every Response should be filed with the Office of the Clerk, United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon counsel for the Trustee so that the Response is received no later than the Response Deadline at the following address:

Halperin Battaglia Benzija, LLP
40 Wall Street, 37th Floor
New York, NY 10005
Attention: Ligea Gu, Esq.
lgu@halperinlaw.net

-and-

WOMBLE BOND DICKINSON (US) LLP
Donald J. Detweiler
1313 North Market Street, Suite 1200
Wilmington, Delaware 19801
don.detweiler@wbd-us.com

Edward L. Schnitzer
950 Third Avenue, Suite 2400
New York, New York 10022
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26. Content of Responses. Every Response to this Objection must contain, at a minimum, the following:

- (a) a caption setting forth the name of the Court, the name of the Debtors, the case number and the title of this Objection to which the Response is directed;
- (b) the name of the claimant and description of the basis for the Subject Claims, as applicable;

- (c) a concise statement setting forth the reasons why the relief in this Objection should not be granted, including, but not limited to, the specific factual and legal bases upon which the claimant relies in opposing this Objection;
- (d) all documentation or other evidence supporting the disputed claim not previously filed with the Court or the Claims Agent, upon which the claimant relies in opposing this Objection; and
- (e) the name, address, telephone number, email and fax number of the person(s) (which may be the claimant or a legal representative thereof) to whom counsel for the Trustee should serve a reply, if any, to the Response and who possesses authority to reconcile, settle or otherwise resolve the objection to the claim on behalf of the claimant.

27. If a claimant fails to file and serve a timely Response, without further notice to the claimant or a hearing, the Trustee will present to the Court an order, substantially in the form of the Proposed Order.

NOTICE

28. A copy of this Objection and all related exhibits will be served on (i) the Office of the United States Trustee for the District of Delaware; (ii) each holder of the Subject Claims; and (iii) all other parties entitled to notice in the Cases. The Trustee respectfully submits that no further notice of this Objection is required.

29. Pursuant to Bankruptcy Rule 3007, the Trustee has provided all claimants affected by this Objection with at least thirty (30) days' notice of the hearing to consider this Objection.

NO PRIOR REQUEST

30. No previous request for the relief sought herein has been made to this or any other Court.

STATEMENT OF COMPLIANCE WITH LOCAL RULE 3007-1

31. To the extent that a response is filed regarding any Claim listed in this Objection and the Trustee is unable to resolve the response, each such Claim, and the objection by the Trust to each such Claim asserted herein, shall constitute a separate contested matter as contemplated by

Bankruptcy Rule 9014. Any order entered by the Court regarding an objection asserted in the Objection shall be deemed a separate order with respect to each Claim.

RESERVATION OF RIGHTS

32. The Trustee hereby reserves the right to object in the future to any of the claims listed in this Objection on any ground in accordance with Local Rule 3007-1, and to amend, modify, and/or supplement this Objection, including, without limitation, to object to amended or newly filed proofs of claim. Separate notice and hearing may be scheduled for any such objection.

WHEREFORE the Trustee respectfully requests entry of an order substantially in the form of the Proposed Order attached hereto as **Exhibit A** granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: November 15, 2024
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

/s/ Donald J. Detweiler

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Counsel to the Trustee

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

In re:

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

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Obj. Deadline: December 10, 2024 at 4:00 p.m. (ET)

Hearing Date: December 17, 2024 at 2:00 p.m. (ET)

**NOTICE OF TRUSTEE'S FIRST OMNIBUS OBJECTION TO CLAIMS (SUBSTANTIVE)
(EQUITY CLAIMS, MISCLASSIFIED CLAIMS, NO LIABILITY CLAIMS)**

**PLEASE CAREFULLY REVIEW THIS OBJECTION AND THE ATTACHMENTS
HERETO TO DETERMINE WHETHER THIS OBJECTION AFFECTS YOUR
CLAIM. SUBSTANTIVE RIGHTS MAY BE AFFECTED BY THIS OBJECTION
AND BY ANY FURTHER OBJECTION THAT MAY BE FILED.**

PLEASE TAKE NOTICE that, Alan D. Halperin, solely in his capacity as liquidating trustee (the "Trustee") of the NVN Liquidation, Inc. Liquidating Trust (the "Trust") as successor in interest to the remaining assets of NVN Liquidation, Inc. f/k/a Novan, Inc. and EPI Health, LLC (collectively, the "Debtors"), by and through his undersigned counsel, filed the attached *Trustee's First Omnibus Objection to Claims (Substantive) (Equity Claims, Misclassified Claims, No Liability Claims)* (the "First Omnibus Objection") with the United States Bankruptcy Court for the District of Delaware (the "Court").

PLEASE TAKE FURTHER NOTICE that responses ("Responses"), if any, to the First Omnibus Objection must be in writing, filed with the Court at 824 North Market Street, Wilmington, Delaware 19801, and served so that it is actually received by the undersigned counsel to the Trustee on or before **December 10, 2024 at 4:00 p.m. (Prevailing Eastern Time)**. Every Response to the First Omnibus Objection must contain, at a minimum, the following information:

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).

1. a caption setting forth the name of the Court, the name of the Debtors, the case number, and the title of objection to which the Response is directed;
2. the name of the claimant, his/her/its claim number, and a description of the basis for the amount of the claim;
3. the specific factual basis and supporting legal argument upon which the party will rely in opposing this First Omnibus Objection;
4. any supporting documentation, to the extent it was not included with the proof of claim previously filed with the clerk or claims agent, upon which the party will rely to support the basis for, and amounts asserted in, the proof of claim; and
5. the name, address, telephone number, email address and fax number of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Trustee should communicate with respect to the claim or the First Omnibus Objection and who possesses authority to reconcile, settle, or otherwise resolve the objection to the disputed claim on behalf of the claimant.

PLEASE TAKE FURTHER NOTICE that if no Response to the First Omnibus Objection is timely filed, served, and received in accordance with the above procedures, an order may be entered granting the relief requested in the First Omnibus Objection without further notice or hearing. If a Response to the First Omnibus Objection is timely filed, served and received in accordance with the above procedures, a hearing on the First Omnibus Objection and the Response will be held before the Honorable Laurie Selber Silverstein at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom #2, Wilmington, Delaware 19801, on **December 17, 2024 at 2:00 p.m. (Prevailing Eastern Time)** (the "Hearing"). Only a Response made in writing and timely filed and received will be considered by the Court at the Hearing.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE FIRST OMNIBUS OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: November 15, 2024
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

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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. f/k/a NOVAN, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Re: Docket No. ____

**ORDER GRANTING TRUSTEE'S FIRST OMNIBUS OBJECTION TO CLAIMS
(SUBSTANTIVE)
(Equity Claims, Misclassified Claims, and No Liability Claims)**

Upon the *Trustee's First Omnibus Objection to Claims* (the "Objection") seeking entry of an order reclassifying, disallowing and/or expunging the claims (collectively, the "Subject Claims") set forth on Schedules 1, 2 and 3 attached hereto and made a part hereof (the "Schedules"), all as more fully set forth in the Objection; and upon the *Declaration of Alan D. Halperin Pursuant to 28 U.S.C. § 1746 and Local Rule 3007-1 in Support of Trustee's First Omnibus Objection to Claims (Substantive)* filed contemporaneously with the Objection and in support thereof; and this Court having jurisdiction to consider the Objection and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Objection and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Objection having been provided, and no other or further notice being required; and the Court having considered all responses to the Objection, if any, and all such responses having been either overruled or withdrawn; and upon all proceedings had before the Court; and the Court having

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).

determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and

This Court having **FOUND AND DETERMINED THAT:**

A. The holders of the Subject Claims listed on the Schedules were properly and timely served with a copy of the Objection and all of its accompanying exhibits, schedules and notice of hearing on the Objection and response deadline.

B. Any entity known to have an interest in the Subject Claims has been afforded reasonable opportunity to respond to, or being heard regarding, the relief requested in the Objection, and

C. The relief requested in the Objection is the in the best interests of the Debtors, their estates, the Trust² and its beneficiaries, and other parties in interest;

And after due deliberation and sufficient cause appearing therefor,

IT IS THEREFORE ORDERED THAT:

1. The Objection is GRANTED.
2. The Equity Claims listed on **Schedule 1** are hereby reclassified as class 6 Equity Interests and are hereby disallowed and expunged in their entirety.
3. The Misclassified Claims listed on **Schedule 2** are reclassified as general unsecured claims as reflected on the schedule.
4. The No Liability Claims listed on **Schedule 3** are hereby disallowed and expunged in their entirety.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Objection.

5. The Claims Agent is hereby authorized and directed to reclassify, disallow and/or expunge the Subject Claims on the Claims Register as reflected in and consistent with this Order and to make other changes to the Claims Register as necessary to effectuate the terms of this Order.

6. The Objection to each of the Subject Claims constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each of the Subject Claims. Any stay of this Order pending appeal by any holder of any of the Subject Claims shall apply only to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to other contested matters covered hereby.

7. Nothing in the Objection or this Order shall be construed as an allowance of any of the Subject Claims or any other claims.

8. The Trustee's right to amend, modify, or supplement the Objection, to file additional objections to the Subject Claims or any other claims (filed or not) which have or may be asserted against the Debtors, and to seek further reduction of any of the Subject Claims, are fully preserved. Additionally, should one or more of the grounds of objection stated in the Objection be dismissed, the Trustee's right to object on other stated grounds or any other grounds that the Trustee discovers during the pendency of these Cases are further preserved.

9. 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.

SCHEDULE 1

Schedule 1 - Equity Claims

Claimant	Claim Number	Debtor	Asserted Claim Amount and Classification	Reason for Reclassification and Disallowance
Allielee Thompson	144	Novan, Inc.	\$2,611.54 Administrative	Claimant asserts an Equity Interest in one or more of the Debtors. As of the Effective Date, all Equity Interests were cancelled under the Plan.
Hassan Andulaziz AlSanounah	329	Novan, Inc.	\$40,600.00 General Unsecured	Claimant asserts an Equity Interest in one or more of the Debtors. As of the Effective Date, all Equity Interests were cancelled under the Plan.
Sonal Patel	339	Novan, Inc.	\$215.99 Administrative	Claimant asserts an Equity Interest in one or more of the Debtors. As of the Effective Date, all Equity Interests were cancelled under the Plan.
Tamara Nazzaro	85	Novan, Inc.	142.96 Administrative	Claimant asserts an Equity Interest in one or more of the Debtors. As of the Effective Date, all Equity Interests were cancelled under the Plan.

SCHEDULE 2

Schedule 2 - Misclassified Claims

Name of Claimant	Claim No.	Debtor	Asserted Claim Amount (s)	Asserted Classification (s)	Modified Amount and Classification	Reason for Modification
Allegro Biopharma Associates, L.L.C.	7	Novan, Inc.	(a)\$2,205.00; (b) \$15,150.00	(a) General Unsecured (b) Administrative under 11 U.S.C. Section 503(b)(9)	\$17,355.00 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Catherine Motosko	317	Novan, Inc.	\$100.00	Priority under 11 U.S.C. Section 507(a)(4)	\$100.00 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
Dermatology Authority	17	Novan, Inc.	\$6,715.40	Administrative under 11 U.S.C. Section 503(b)(9)	\$6,715.40 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Frankel Staffing Partners	39	Novan, Inc.	(a) \$2,350.00; (b) \$15,150	(a) General Unsecured; (b) Administrative under 11 U.S.C. Section 503(b)(9)	\$17,500 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
Heinkel Filtering Systems, Inc.	54	Novan, Inc.	\$15,315.49	Administrative under 11 U.S.C. Section 503(b)(9)	\$15,315.49 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Intuitive Graphite, Inc.	46	Novan, Inc.	\$2,240.00	Administrative under 11 U.S.C. Section 503(b)(9)	\$2,240.00 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Intuitive Graphite, Inc.	47	EPI Health, LLC	\$3,900.00	Administrative under 11 U.S.C. Section 503(b)(9)	\$3,900.00 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).
Kristine Barry	14	Novan, Inc.	\$340.00	Priority under 11 U.S.C. Section 507(a)(4)	\$340.00 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
Law Office of Kathleen Lynch, PLLC	67	Novan, Inc.	(a) \$143.00; (b) \$14,550.00	(a) General Unsecured; (b) Priority under 11 U.S.C. Section 507(a)(4)	\$14,693.00 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
MC2 Therapeutics A/S	351	EPI Health, LLC	(a) \$1,443,305.32; (b) unliquidated amount	(a) General Unsecured (b) Administrative under 11 U.S.C. Section 507(a)(2)	\$1,443,305.32 + unliquidated amount General Unsecured	Claimant asserts an unliquidated amount as an administrative claim and has not established a basis for an administrative claim under 11 U.S.C. Section 507(a)(2). Therefore, the unliquidated amount should be reclassified to an general unsecured claim.
Novus Proximus LLC (Patrick Coyle)	9	EPI Health, LLC	(a) \$7,350.00 (b) \$15,150.00	(a) General Unsecured (b) Priority under 11 U.S.C. Section 507(a)(4)	\$22,500 General Unsecured	Claimant was not an employee of the Debtors and therefore is not entitled to a priority claim under 11 U.S.C. Section 507(a)(4).
Sycamore Financial Consulting, LLC	138	Novan, Inc.	(a) \$1,400.00 (b) \$700.00	(a) General Unsecured (b) Administrative under 11 U.S.C. Section 503(b)(9)	\$2,100.00 General Unsecured	Claim does not reflect goods provided to Debtors within 20 days of the commencement of case as is required under 11 U.S.C. Section 503(b)(9).

SCHEDULE 3

Schedule 3 - No Liability Claims

Claimant	Claim Number(s)	Debtor	Asserted Claim Amount(s) and Classification(s)	Reason for Disallowance
Christy Crump	90	Novan, Inc.	(a) \$15,000 Priority under 11 U.S.C. Section 507(a)(4); (b) \$5,000 General Unsecured	Claimant asserts a claim against the Debtor for back bonus from sales. The claimant was a former employee and executed a severance agreement with the Debtor and was paid under the foregoing in exchange for a release of all claims.
Lauren Madden	75	Novan, Inc.	\$15,000 Priority under 11 U.S.C. Section 507(a)(4)	Claimant asserts a claim against the Debtor for "good sold." The claimant was a former employee and executed a severance agreement with the Debtor and was paid under the foregoing in exchange for a release of all claims.
USI Insurance Services	26	Novan, Inc.	\$10,427.97 General Unsecured	Claimant is a broker and asserts a claim against the Debtors for "insurance." Based on the Debtors' books and records, all claims asserted herein were fully satisfied.

EXHIBIT B

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

In re: NVN Liquidation, Inc. f/k/a NOVAN, Inc., <i>et al.</i> , ¹ Debtors.		Chapter 11 Case No. 23-10937 (LSS) (Jointly Administered)
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**DECLARATION OF ALAN D. HALPERIN PURSUANT TO 28 U.S.C. § 1746
AND LOCAL RULE 3007-1 IN SUPPORT OF TRUSTEE’S FIRST OMNIBUS
OBJECTION TO CLAIMS (SUBSTANTIVE)
(Equity Claims, Misclassified Claims, No Liability Claims)**

Alan D. Halperin, under penalty of perjury, hereby declares as follows:

1. I am the liquidating trustee (the “Trustee”) of the NVN Liquidation, Inc. Liquidating Trust (the “Trust”) as successor in interest to the remaining asset of NVN Liquidation, Inc. f/k/a Novan, Inc. and EPI Health, LLC (collectively, the “Debtors”). I submit this declaration in support of the *Trustee’s First Omnibus Objection to Claims (Substantive)* (the “Objection”), pursuant to which I am requesting that this Court enter an order: (a) reclassifying the Equity Claims² as Equity Interests and thereupon disallowing and expunging those claims, (b) reclassifying the Misclassified Claims to general unsecured claims, and (c) disallowing and expunging the No Liability Claims. Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein.

2. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, my review (or the review of counsel, consultants and other professionals under my supervision) of business records kept by the Debtors in the ordinary course of business,

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).

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Objection.

the relevant proofs of claim, and/or the Claims Register maintained by the Claims Agent in the Cases. The grounds for the Objection are based on the review conducted.

3. I have personally reviewed the Objection and to the best of my knowledge, information and belief, the information contained on **Schedules 1, 2, and 3** (the “Schedules”) to the Proposed Order attached as **Exhibit A** to the Objection is true and correct.

4. My counsel, consultants and other professionals and/or I reviewed all of the Equity Claims identified on Schedule 1 and the supporting documentation, if any, filed with these claims, made reasonable efforts to research and reconcile the Equity Claims in the Books and Records, and have determined that each of these claims are on account of profit interests, stock grants and/or redemption rights, which are Equity Interests cancelled and extinguished under the Plan and on account of which the claimant is not entitled to receive any distribution under the Plan. Therefore, the Equity Claims should be reclassified as Class 6 Equity Interests (as defined in and pursuant to the Plan) and disallowed and expunged in their entirety.

5. My counsel, consultants and other professionals and/or I reviewed all of the Misclassified Claims identified on Schedule 2 together with any supporting documentation filed therewith, made reasonable efforts to research and reconcile the Misclassified Claims in and with the Books and Records, and determined that these claims were improperly filed as administrative expense claims or priority claims. Therefore, the Misclassified Claims should be reclassified as general unsecured claims.

6. My counsel, consultants and other professionals and/or I reviewed all of the No Liability Claims identified in Schedule 3, together with any supporting documentation filed therewith, made reasonable efforts to research and reconcile the No Liability Claims in and with the Books and Records, and determined that such documentation does not provide prima facie

evidence of the validity and amount of these claims. Therefore, the No Liability Claims should be disallowed and expunged in their entirety.

7. Based on the foregoing, and to the best of my knowledge, information and belief, the information contained in the Objection and the Schedules thereto is true and correct.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Executed on: November 15, 2024

/s/ Alan D. Halperin
Alan D. Halperin