

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

	)	
In re:	)	Chapter 11
	)	
PGX HOLDINGS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 23-10718 (CTG)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	Related to Docket Nos. 11, 62

**CERTIFICATION OF COUNSEL REGARDING MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY CERTAIN PREPETITION CLAIMS OF CRITICAL VENDORS AND (II) GRANTING RELATED RELIEF**

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The undersigned proposed counsel to the above captioned debtors and debtors in possession (collectively, the “Debtors”) hereby certifies the following:

1. On June 4, 2023 (the “Petition Date”), each of the above-captioned debtors and debtors in possession (the “Debtors”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), with the Clerk of the United States Bankruptcy Court for the District of Delaware. The Debtors are continuing to operate their businesses and manage their affairs as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On June 4, 2023, the Debtors filed the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Certain Prepetition Claims of Critical Vendors and (II) Granting Related Relief* [Docket No. 11] (the “Motion”).

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.



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3. On June 6, 2023 the Court entered the *Interim Order (I) Authorizing Debtors to Pay Certain Prepetition Claims of Critical Vendors and (II) Granting Related Relief* [Docket No. 62] (the “Interim Order”).

4. On June 7, 2023 the Motion and Interim Order were served along with the Omnibus Notice of Second Day Hearing to be Held On June 28, 2023 at 2:00 P.M. (ET) [Docket No. 74] (the “Notice”). The Notice indicated an objection deadline of June 21, 2023, which has been extended solely for the Official Committee of Unsecured Creditors (the “UCC”) to July 17, 2023 at 4:00 p.m. and for the Office of the United States Trustee for the District of Delaware (“UST”) to July 18, 2023 at 4:00 p.m.

5. Other than informal comments from the UCC with respect to the Motion (the “Informal Comments”), the Debtors have not received any responsive pleading relating to the Motion and the undersigned has searched the docket in these cases to confirm no responsive pleading appears thereon.

6. The Debtors have revised the proposed order submitted with the Motion (the “Revised Proposed Order”) to address the Informal Comments. A copy of the Revised Proposed Order is attached hereto as **Exhibit A**. A copy of the REDLINED Revised Proposed Order marked to reflect changes to the version filed with the Motion is attached hereto as **Exhibit B**.

7. A copy of the Revised Proposed order has been circulated to the UST and UCC who have confirmed it has no opposition to the entry of the Revised proposed Order in the form attached hereto as **Exhibit A**.

8. Accordingly, the Debtors respectfully request that the Court enter the Revised Proposed Order in the form attached hereto as **Exhibit A** at its earliest convenience.

Dated: July 19, 2023  
Wilmington, Delaware

*/s/ Michael W. Yurkewicz*

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**KLEHR HARRISON HARVEY  
BRANZBURG LLP**

Domenic E. Pacitti (DE Bar No. 3989)  
Michael W. Yurkewicz (DE Bar No. 4165)  
919 North Market Street, Suite 1000  
Wilmington, Delaware 19801  
Telephone: (302) 426-1189  
Facsimile: (302) 426-9193  
Email: dpacitti@klehr.com  
myurkewicz@klehr.com

-and-

Morton R. Branzburg (*pro hac vice* pending)  
1835 Market Street, Suite 1400  
Philadelphia, Pennsylvania 19103  
Telephone: (215) 569-3007  
Facsimile: (215) 568-6603  
Email: mbranzburg@klehr.com

*Proposed Co-Counsel to the Debtors and  
Debtors in Possession*

**KIRKLAND & ELLIS LLP  
KIRKLAND & ELLIS INTERNATIONAL LLP**

Joshua A. Sussberg, P.C. (*admitted pro hac vice*)  
601 Lexington Ave  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900  
Email: joshua.sussberg@kirkland.com

- and -

Spencer Winters (*admitted pro hac vice*)  
Whitney C. Fogelberg (*admitted pro hac vice*)  
Alison J. Wirtz (*admitted pro hac vice*)  
300 North LaSalle  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200  
Email: spencer.winters@kirkland.com  
alison.wirtz@kirkland.com

*Proposed Co-Counsel to the Debtors and Debtors  
in Possession*

**EXHIBIT A**

**Revised Proposed Order**

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

In re:	)	
	)	Chapter 11
PGX HOLDINGS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 23-10718 (CTG)
	)	
Debtors.	)	(Jointly Administered)
	)	<b>Re: Docket Nos. 11, 62</b>

**FINAL ORDER (I) AUTHORIZING  
DEBTORS TO PAY CERTAIN PREPETITION CLAIMS  
OF CRITICAL VENDORS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for the entry of a final order (this “Final Order”), (a) authorizing, but not directing, the Debtors to pay Critical Vendor Claims up to the Critical Vendor Cap absent further order of the Court, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having 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; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found 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

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to honor, pay, or otherwise satisfy prepetition amounts on account of Critical Vendor Claims; *provided*, that such payments shall not exceed \$5.74 million in the aggregate on a final basis unless otherwise ordered by the Court; *and provided further*, that, prior to making such payments, the Debtors shall deliver to the professionals retained by the Official Committee of Unsecured Creditors (the "Creditors' Committee"), two business days' advance notice (or as soon thereafter as is reasonably practicable under the circumstances), a notice that shall include: (i) list of proposed Critical Vendors to be paid, (ii) the total prepetition Claim owed to such Critical Vendor (including any amounts entitled to priority under section 503(b)(9) of the Bankruptcy Code, and (iii) the amounts the Debtors would propose to pay such Critical Vendor hereunder.
3. The Debtors shall maintain a matrix with (a) the name of each Critical Vendor paid on account of its Critical Vendor Claim, (b) the amount paid by the Debtors to each Critical Vendor, and (c) the corresponding Debtor that owed the prepetition Claim. The matrix shall be provided every other week, two weeks in arrears, to the U.S. Trustee, the Creditors' Committee, and

professionals retained by any other statutory committee appointed in these chapter 11 cases; *provided, however*, that the matrix shall be considered confidential, unless disclosure is required by law.

4. The form of Trade Agreement, substantially in the form attached to the Motion as **Exhibit C**, is approved in its entirety. The Debtors are authorized, but not directed, to undertake appropriate efforts to condition payment of Critical Vendor Claims upon the execution of a Trade Agreement, and the Debtors are authorized to enter into such Trade Agreements when and if the Debtors determine, in the exercise of their reasonable business judgment, that it is appropriate to do so.

5. Notwithstanding paragraph 4 of this Final Order, the Debtors may, in their business judgement, negotiate, amend, or modify the form of Trade Agreement and decline to condition payment of Critical Vendor Claims upon the execution of a Trade Agreement.

6. Regardless of whether a Trade Agreement has been executed, if any party accepts payment hereunder and does not continue supplying goods or services to the Debtors in accordance with trade terms at least as favorable to the Debtors as those practices and programs (including credit limits, pricing, cash discounts, timing of payments, allowances, product mix, availability, and other programs) consistent with the parties' ordinary course practice (collectively, the "Customary Trade Terms"), then: (a) any payment on account of a prepetition claim received by such party shall be deemed, in the Debtors' sole discretion, an improper postpetition transfer and, therefore, recoverable by the Debtors in cash upon written request by the Debtors; *provided*, that such party shall be afforded reasonable opportunity to contest such request; (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated as if the payment had not been made; and (c) if there exists an outstanding postpetition balance

due from the Debtors to such party, the Debtors may elect to recharacterize and apply any payment made pursuant to the relief requested by the Motion to such outstanding postpetition balance and such supplier or vendor will be required to repay to the Debtors such paid amounts that exceed the postpetition obligations then outstanding without the right of any setoffs, claims, provisions for payment of any claims, or otherwise.

7. Any Critical Vendor that accepts payment from the Debtors on account of all or a portion of a Critical Vendor Claim pursuant to this Final Order shall be deemed to (a) agree to the terms and provisions of this Final Order and (b) have waived, to the extent so paid, any and all prepetition claims, of any type, kind, or priority (including any reclamation claims), against the Debtors, their assets, and properties.

8. Nothing herein shall impair or prejudice the Debtors' ability to contest, in their sole discretion, the extent, perfection, priority, validity, or amounts of any claims held by any Critical Vendor. The Debtors do not concede that any claims satisfied pursuant to this Final Order are valid, and the Debtors expressly reserve all rights to contest the extent, validity, or perfection or seek the avoidance of all such liens or the priority of such claims.

9. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.



10. Notwithstanding anything to the contrary in this Final Order, any payments made, or authorization contained, hereunder, shall be subject to the “Approved Budget” as defined in the order of the Court approving debtor-in-possession financing in these chapter 11 cases.

11. Nothing contained in the Motion or this Final Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Final Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount, validity or priority of, or basis for any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors’ or any other party in interest’s right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Final Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) 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 (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

12. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

13. 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.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

16. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

**EXHIBIT B**

**REDLINED Revised Proposed Order**

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

In re:	)	
	)	Chapter 11
PGX HOLDINGS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 23-10718 (CTG)
	)	
Debtors.	)	(Jointly Administered <del>Requested</del> )
	)	<b>Re: Docket Nos. <del>11, 62</del> —11, 62</b>

**FINAL ORDER (I) AUTHORIZING  
DEBTORS TO PAY CERTAIN PREPETITION CLAIMS  
OF CRITICAL VENDORS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for the entry of a final order (this “Final Order”), (a) authorizing, but not directing, the Debtors to pay Critical Vendor Claims up to the Critical Vendor Cap absent further order of the Court, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having 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; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that

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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 relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.

2. The Debtors are authorized, but not directed, to honor, pay, or otherwise satisfy prepetition amounts on account of Critical Vendor Claims; *provided*, that such payments shall not exceed \$5.74 million in the aggregate on a final basis unless otherwise ordered by the Court; and provided further, that, prior to making such payments, the Debtors shall deliver to the professionals retained by the Official Committee of Unsecured Creditors (the "Creditors' Committee"), two business days' advance notice (or as soon thereafter as is reasonably practicable under the circumstances), a notice that shall include: (i) list of proposed Critical Vendors to be paid, (ii) the total prepetition Claim owed to such Critical Vendor (including any amounts entitled to priority under section 503(b)(9) of the Bankruptcy Code, and (iii) the amounts the Debtors would propose to pay such Critical Vendor hereunder.

3. The Debtors shall maintain a matrix with (a) the name of each Critical Vendor paid on account of its Critical Vendor Claim ~~and~~, (b) the amount paid by the Debtors to each Critical Vendor, and (c) the corresponding Debtor that owed the prepetition Claim. The matrix

shall be provided every other week, two weeks in arrears, to the U.S. Trustee ~~and~~, the Creditors' Committee, and professionals retained by any other statutory committee appointed in these chapter 11 cases; *provided, however*, that the matrix shall be considered confidential, unless disclosure is required by law.

4. The form of Trade Agreement, substantially in the form attached to the Motion as **Exhibit C**, is approved in its entirety. The Debtors are authorized, but not directed, to undertake appropriate efforts to condition payment of Critical Vendor Claims upon the execution of a Trade Agreement, and the Debtors are authorized to enter into such Trade Agreements when and if the Debtors determine, in the exercise of their reasonable business judgment, that it is appropriate to do so.

5. Notwithstanding paragraph 4 of this Final Order, the Debtors may, in their business judgment, negotiate, amend, or modify the form of Trade Agreement and decline to condition payment of Critical Vendor Claims upon the execution of a Trade Agreement.

6. Regardless of whether a Trade Agreement has been executed, if any party accepts payment hereunder and does not continue supplying goods or services to the Debtors in accordance with trade terms at least as favorable to the Debtors as those practices and programs (including credit limits, pricing, cash discounts, timing of payments, allowances, product mix, availability, and other programs) consistent with the parties' ordinary course practice (collectively, the "Customary Trade Terms"), then: (a) any payment on account of a prepetition claim received by such party shall be deemed, in the Debtors' sole discretion, an improper postpetition transfer and, therefore, recoverable by the Debtors in cash upon written request by the Debtors; *provided*, that such party shall be afforded reasonable opportunity to contest such request; (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated

as if the payment had not been made; and (c) if there exists an outstanding postpetition balance due from the Debtors to such party, the Debtors may elect to recharacterize and apply any payment made pursuant to the relief requested by the Motion to such outstanding postpetition balance and such supplier or vendor will be required to repay to the Debtors such paid amounts that exceed the postpetition obligations then outstanding without the right of any setoffs, claims, provisions for payment of any claims, or otherwise.

7. Any Critical Vendor that accepts payment from the Debtors on account of all or a portion of a Critical Vendor Claim pursuant to this Final Order shall be deemed to (a) agree to the terms and provisions of this Final Order and (b) have waived, to the extent so paid, any and all prepetition claims, of any type, kind, or priority (including any reclamation claims), against the Debtors, their assets, and properties.

8. Nothing herein shall impair or prejudice the Debtors' ability to contest, in their sole discretion, the extent, perfection, priority, validity, or amounts of any claims held by any Critical Vendor. The Debtors do not concede that any claims satisfied pursuant to this Final Order are valid, and the Debtors expressly reserve all rights to contest the extent, validity, or perfection or seek the avoidance of all such liens or the priority of such claims.

9. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

10. Notwithstanding anything to the contrary in this Final Order, any payments made, or authorization contained, hereunder, shall be subject to the “Approved Budget” as defined in the order of the Court approving debtor-in-possession financing in these chapter 11 cases.

11. Nothing contained in the Motion or this Final Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Final Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount, validity or priority of, or basis for any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors’ or any other party in interest’s right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Final Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) 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 (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

12. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.



13. 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.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

16. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.