

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Prodigy Investment Holdings, Inc.,¹

Reorganized Debtor.

Chapter 11

Case No. 23-11120 (BLS)

(Jointly Administered)

Hearing Date: March 26, 2025 at 9:00 a.m. (ET)

Response Deadline: March 11, 2025 at 4:00 p.m. (ET)

**DISTRIBUTION TRUSTEE'S OBJECTION TO CLAIM NUMBER 1325
FILED BY DAIMLER TRUCK NORTH AMERICA LLC**

Steven Balasiano, in his capacity as the distribution trustee (the "Distribution Trustee") of the PTR A Distribution Trust (the "Distribution Trust") established in the above-captioned chapter 11 case (the "Chapter 11 Case") of the reorganized debtor ("Prodigy" or the "Reorganized Debtor"),² by and through his undersigned counsel, hereby files this objection (the "Objection") to proof of claim number 1325 (the "Proof of Claim" or "Claim") filed by Daimler Truck North America LLC ("Daimler"), which seeks the allowance, and payment, of \$80,202,976.91³ on

¹ The Reorganized Debtor in this Chapter 11 Case, along with the last four digits of the Reorganized Debtor's federal tax identification number, is: Prodigy Investments Holdings, Inc. (9565). The location of the Reorganized Debtor's service address is: 3350 Virginia St., 2nd Floor, Miami, FL 33133.

² For the avoidance of doubt, references to the Debtors (defined herein) and the Chapter 11 Cases (as defined herein) pertain to the time before the entry of the Case Closing Order (defined herein), while references to the Reorganized Debtor and the Chapter 11 Case pertain to the period after the Effective Date (defined herein) and entry of the Case Closing Order, as applicable.

³ While the Proof of Claim asserts a claim in the aggregate of \$86,698,394.03, the administrative portion of the claim, consisting of \$6,495,417.12, has been satisfied. *See Notice of Withdrawal of Daimler Truck North America LLC's Motion for Allowance and Payment of Administrative Expense Claim* [D.I. 1390] ("Withdrawal of Admin Claim"); *The Distribution Trustee's Notice of Partial Satisfaction of Claim No. 1325 Filed by Daimler Truck North America LLC* [D.I. 1395] ("Notice of Partial Satisfaction").

Moreover, the addendum ("Addendum") attached to the Proof of Claim asserts a rejection damages claim that is inconsistent with the ultimate amount set forth in the Proof of Claim. Specifically, the Addendum lists the rejection damages claim as \$80,203,394.03. However, based on the amounts stated in the Proof of Claim (and the Notice of Partial Satisfaction), subtracting the administrative portion of the claim (\$6,495,417.12) from the total claim amount (\$86,698,394.03) results in a rejection damages claim of \$80,202,976.91, not \$80,203,394.03. *See also* Notice of Partial Satisfaction, Ex. A (listing the remaining claim amount as \$80,202,976.91).



account of rejection damages. In support of this Objection, the Distribution Trustee relies upon the *Declaration of Farzan Sabzevari in Support of the Distribution Trust's Objection to Claim No. 1325 filed by Daimler Truck North America LLC* (the "Sabzevari Declaration") attached to this Objection as **Exhibit 1**, and respectfully states as follows:

PRELIMINARY STATEMENT⁴

The Proof of Claim seeks an allowance of \$80,202,976.91 for rejection damages, solely based on alleged future warranty obligations under the Daimler Truck Contracts. However, the Claim fails to meet the evidentiary threshold required to establish its validity as required by Federal Bankruptcy Procedure (the "Bankruptcy Rules") Rule 3001. *See* Fed. R. Bankr. P. 3001(f). Simply put, the Claim lacks sufficient supporting information or documentation and is based on unsupported assumptions, including (i) speculative contingent liabilities, and (ii) an unsubstantiated calculation methodology.

Initially, Daimler's Warranty Claims are inherently contingent, as they depend on hypothetical future events, including potential customer warranty claims and anticipated repair costs. Despite this speculative nature, Daimler has provided no credible evidence or historical data to justify the estimated damages, such as documentation of actual warranty claims or invoices substantiating the alleged costs. Additionally, Daimler's single page calculation methodology, outlined in the Addendum to the Proof of Claim, lacks transparency, offering only generalized estimates of per-unit warranty costs and anticipated extended warranty liabilities without any supporting detail or data, including no cross references to the terms of the Standard Warranties, which govern the scope of the eligible warranty protection and steps that need to be followed to assert a valid warranty claim.

⁴ Capitalized terms not defined in this Preliminary Statement shall have the same meanings ascribed to them in this Objection.

The Distribution Trustee has repeatedly sought additional documentation and clarification from Daimler on several occasions to substantiate its Claim, but to date has received no meaningful response. Consequently, the Claim lacks the sufficient information or documentation to constitute prima facie evidence of its validity under the Bankruptcy Code and must be disallowed and expunged.

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “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 as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Distribution Trustee consents 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 that 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.

BACKGROUND

I. Overview of the Chapter 11 Cases

3. On August 7, 2023, Proterra Inc (“Proterra”) and its affiliate, Proterra Operating Company, Inc. (“Proterra OpCo,” and together with Proterra, the “Debtors”) filed voluntary petitions for relief in the Court, commencing the chapter 11 cases (the “Chapter 11 Cases”).

4. Additional details regarding the Debtors and the facts and circumstances supporting the relief requested herein are set forth in the *Declaration of Gareth T. Joyce in Support of First*

Day Relief [D.I. 16] and the *Disclosure Statement for Joint Chapter 11 Plan of Reorganization for Proterra Inc and its Debtor Affiliate* [D.I. 738] (the “Disclosure Statement”).

II. Rejection of the Daimler Truck Contracts

5. On August 8, 2023, the Debtors filed a motion [D.I. 36] (the “Bidding Procedures Motion”), which sought authorization to, among other things: (i) sell all or substantially all of the Debtors’ assets belonging to the Debtors’ three business lines (*i.e.*, Proterra Transit (the “Transit Business Line”), Proterra Powered (the “Powered Business Line”), and Proterra Energy) through one or more sales, and (ii) enter into one or more asset purchase agreements related to same. On September 7, 2023, the Court entered an order [D.I. 218] (the “Bidding Procedures Order”) granting the Bidding Procedures Motion.

6. On September 25, 2023, the Debtors filed a *Notice of (I) Potential Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (II) Proposed Cure Amounts* [D.I. 279] (the “Cure Notice”), which set forth that the Debtors may assume and assign to any purchaser the executory contracts listed on the appendix attached thereto. The Cure Notice listed the Daimler Truck Contracts,⁵ including that certain *Long Term Agreement*, dated January 1, 2021 (as amended on July 12, 2022 and July 1, 2023) (the “Long Term Agreement”) attached hereto as **Exhibit 2**, between Daimler and the Debtors, and proposed a cure amount of \$0.00 for each Daimler Truck Contract.

7. On October 16, 2023, Daimler filed its *Limited Objection and Reservation of Rights with Respect to the Notice of (I) Potential Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (II) Proposed Cure Amounts* [D.I. 403] (“Limited

⁵ The Objection adopts the defined term “Daimler Truck Contracts” as set forth in the Limited Objection (as defined herein) and Proof of Claim as including certain other agreements, the Long Term Agreement (as defined herein), and the Purchase Orders (as defined herein). Limited Objection, ¶ 4; Proof of Claim, Addendum, ¶ 1.

Objection”). In its Limited Objection, Daimler asserted that, in addition to the Long Term Agreement and certain purchase orders arising therefrom (the “Purchase Orders”), it held certain warranty rights under the Daimler Truck Contracts. Limited Objection, ¶ 4.

8. On November 29, 2023, the Court entered the *Order (A) Authorizing and Approving the Debtors’ Entry into the Asset Purchase Agreement, (B) Authorizing the Sale of the Debtors’ Powered Assets Free and Clear of all Liens, Claims, Interests, and Encumbrances, (C) Approving the Assumption and Assignment of the Assumed Executory Contracts and Unexpired Leases, and (D) Granting Related Relief* [D.I. 664] (the “Powered Sale Order”). The sale transaction subject to the Powered Sale Order closed on February 1, 2024. *See Notice of Proterra Powered Sale Closing* [D.I. 968].

9. On February 5, 2024, the Debtors filed the *Twenty-Ninth Omnibus Motion for Entry of an Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and (II) Granting Related Relief* [D.I. 997] (the “29th Motion to Reject”) and *Thirtieth Omnibus Motion for Entry of an Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and (II) Granting Related Relief* [D.I. 998] (the “30th Motion to Reject,” together with the 29th Motion to Reject, the “Rejection Motions”). The Rejection Motions sought authorization for the rejection of the Daimler Truck Contracts, with such rejection to be effective as of February 5, 2024. As stated in the Rejection Motions, the Debtors pursued authorization to reject these and other executory contracts following the determination by Volvo Battery Solutions LLC (the “Powered Buyer” or “Volvo”) that the contracts would not be assumed or assigned in connection with the consummation of the sale to the Powered Buyer.

10. On February 28, 2024, the Court entered the *Twenty-Ninth Omnibus Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and (II) Granting Related Relief*

[D.I. 1131] (the “29th Order to Reject”). Subsequently, on March 6, 2024, the Court entered the *Thirtieth Omnibus Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and (II) Granting Related Relief* [D.I. 1182] (the “30th Order to Reject”, and together with the 29th Order to Reject, the “Rejection Orders”). The Rejection Orders provided, in relevant part, that the Daimler Truck Contracts were deemed rejected as of February 5, 2024. Additionally, the Rejection Orders fixed the deadline to file a claim for rejection damages at thirty (30) days following entry of the respective order—March 29, 2024, for contracts rejected under the 29th Order to Reject, and April 5, 2024, for contracts rejected under the 30th Order to Reject.

11. The Debtors filed the *Fifth Amended Joint Chapter 11 Plan of Reorganization for Proterra Inc and its Debtor Affiliate* [D.I. 1154] (the “Plan”), and on March 6, 2024, the Court entered an order [D.I. 1180] (the “Confirmation Order”) confirming and approving the Plan and all supplements thereto, including the Distribution Trust Agreement (the “DTA”).

12. The Plan went effective on March 13, 2024 (the “Effective Date”). See D.I. 1208.

13. On March 22, 2024, the Court entered the *Order (I) Amending Case Caption to Reflect Change of Debtors’ Names, (II) Closing Proterra Operating Company, Inc’s Chapter 11 Case; and (III) Granting Related Relief* [D.I. 1233] (the “Case Closing Order”) authorizing the Debtors and Distribution Trust to amend the case caption used in the Chapter 11 Cases to reflect the changes of their respective legal names. As such, the bankruptcy case of Proterra Operating Company, Inc., Case No. 23-11121 (BLS), was closed while the lead case, Proterra Inc, Case No. 23-11120 (BLS), remained open. Furthermore, the caption was amended to reflect the new name of the Reorganized Debtor in the remaining Chapter 11 Case, Prodigy Investments Holdings, Inc.

14. Pursuant to the Plan, as of the Effective Date, the Distribution Trust was established, for among other reasons, to provide for distributions to the Distribution Trust’s

Beneficiaries. *See* Plan, Art. IV. The Plan and the DTA authorize the Distribution Trustee to pursue objections to, and estimation and settlements of, all Disputed Claims, including the Proof of Claim. *See* Plan, Art. IV.C.7.

III. Daimler's Warranty Claims

15. On March 6, 2024, Daimler filed the Proof of Claim, asserting prepetition rejection damages claim in the aggregate amount of approximately \$80,202,976.31⁶ (the "Warranty Claims") and an administrative expense priority claim of \$6,495,417.12.⁷ The administrative portion of the claim has been satisfied; as such, this Objection focuses solely on the remaining Warranty Claims. *See* Withdrawal of Admin Claim; Notice of Partially Satisfied Claims.

16. The Warranty Claims appear to be an estimate of contingent damages arising from standard and extended warranty coverages under the terms of the Daimler Truck Contracts. *See* Addendum, ¶ 5(ii). This includes claims arising under the Long Term Agreement, such as the *Proterra Standard Limited Warranty – Proterra Drivetrain*, the *Proterra Standard Limited Warranty – Battery System*, the *DTNA Warranty Agreement*, warranty-related terms and conditions associated with each Purchase Order, and Parts that were subject to a recall campaign. *Id.* ¶ 6.

⁶ *See supra* note 3.

⁷ On April 12, 2024, Daimler filed its *Motion for Allowance and Payment of Administrative Expense Claim* [D.I. 1270] (the "Admin Motion"). The Admin Motion sought allowance and payment of the administrative claim portion of the Proof of Claim, totaling \$6,495,417.12, arising from non-functional Energy Storage Systems provided pursuant to a postpetition transaction governed by the Long Term Agreement. Admin Motion, ¶ 12; *see also* *Limited Supply Agreement* dated July 14, 2023 (the "Limited Supply Agreement") attached hereto as Exhibit 3 [REDACTED]

[REDACTED] Upon information and belief, Daimler subsequently withdrew the Admin Motion after Volvo addressed the issue(s) with the non-functional Energy Storage Systems by updating the software related to them. Notably, it appears that Volvo's actions resolved the functionality issues despite Volvo not being bound by the warranty terms of the Long Term Agreement or the Limited Supply Agreement that governed the postpetition transaction at issue.

The only support for Daimler's calculation of the Warranty Claims is the following schedule, which was attached as an exhibit to the Addendum:

<u>Category</u>	<u>Calculation Methodology</u>	<u>Estimated Damages</u>
Standard Warranty Coverage	There are approximately 1,423 vehicles (buses and vans) manufactured by Daimler Truck with various Parts purchased from the Debtor. Based on a historical review of the estimated per-unit warranty cost of \$42,979 (for buses) and \$23,014 (for vans), Daimler Truck anticipates incurring damages of approximately \$56,126,656.00 on account of defective Parts in buses and approximately \$3,053,213.00 on account of defective Parts in vans.	\$59,179,869.03
Extended Warranty Coverage	These damages stem from extended warranty coverage for Parts purchased by Daimler Truck and/or its dealers from the Debtor, which extended warranty coverage was offered and sold to Daimler Truck's customers. These damages also include anticipated liabilities for extended warranty coverage that was included in purchase orders/quotations provided to Daimler Truck's customers. Daimler Truck could be liable to its customers on account of extended warranty coverage that will not be honored or supported by the Debtor and for which coverage Daimler Truck would assume liabilities.	\$21,023,525.00
Total		\$80,203,394.03

See Addendum, Schedule 1.

17. The Addendum also notes that Daimler and Volvo were engaging in discussions regarding a new contractual relationship to ensure continuity of supply and related warranty support programs. *Id.* ¶ 14. Daimler acknowledged that while the discussions may mitigate a portion of its rejection damages, Volvo did not assume warranty liabilities related to the pre-closing operation of the Powered Business. *Id.* Consequently, Daimler asserted that it may be unable to mitigate damages related to the repair, replacement, or return of parts ordered prior to the sale and could incur further losses due to the cessation of warranty support programs.⁸ *Id.*

⁸ On May 21, 2024, Daimler issued a press release announcing its plans to “continue the long-standing proven partnership we have developed with Proterra and welcome their new ownership under the Volvo Group.” *Daimler Truck North America selects Proterra battery technology for next-generation electric school buses and last-mile delivery vehicles*, Daimler Truck N. Am. (May 21, 2024), <https://northamerica.daimlertruck.com/pressdetail/daimler-truck-north-america-selects-proterra-2024-05-21/> (quoting Kevin Bangston, President and CEO of Thomas Build Buses and Freightliner Custom Chassis Corporation (division of Daimler) (the “Press Release”).

Despite the Distribution Trustee’s informal requests for more information, Daimler has not provided any updates or clarity regarding the status or outcome of these discussions, leaving the Distribution Trustee without sufficient information to evaluate Daimler’s mitigation efforts. *See* Sabzevari Declaration, ¶¶ 8–9. In fact, the only information the Distribution Trustee currently possesses regarding Daimler’s current relationship with Volvo is from the Press Release.

A. The Warranty Coverage

18. The Long Term Agreement includes two standard limited warranties: one covering the Battery System and another covering the Proterra Drivetrain (collectively, the “Standard Warranties”). *See* Long Term Agreement, Exs. B & C. However, neither the Proof of Claim nor the Addendum (a) identifies which categories of coverage under the Standard Warranties are relevant to the asserted claim amount, (b) addresses any applicable exclusions to coverage, or (c) addresses whether Daimler adhered to the required procedures for asserting a warranty claim. Additionally, they fail to identify the specific price per unit or methodology relied upon in calculating the Warranty Claims. The relevant terms of the Standard Warranties are summarized below.

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	<ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] 	<ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED]
[REDACTED]	<ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] 	<ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED]

[illegible]

19. In addition to the standard warranties, the Long Term Agreement provides supplemental warranty coverage for Purchase Orders issued pursuant to the *DTNA Warranty Agreement* (the “Supplemental Warranty”). See Long Term Agreement, Ex. D. [REDACTED]

[REDACTED] *Id.* The Supplemental
Warranty includes recovery payment terms. *Id.*

20. While \$21,023,525.00 of the Warranty Claims is attributed to contingent extended warranty coverage, the Distribution Trustee has not received or reviewed any documentation supporting the existence of such liabilities owed by the Debtor. *See* Sabzevari Declaration, ¶ 9.

B. Daimler's Recoupment & Setoff Rights

21. According to the Addendum, Daimler has recouped no less than \$1,230,178.49 on account of prepetition Warranty Claims against the Debtor, calculated through March 3, 2024, and \$1,247,199.00 for replacement battery parts purchased from Volvo (collectively, the “Recouped Warranty Claims”). Addendum, ¶ 8. However, to date, Daimler has not provided the Distribution Trustee with any supporting documentation to substantiate its historical warranty or recoupment practices. *See* Sabzevari Declaration, ¶ 9. Without such evidence, the validity of Daimler’s recoupment rights remain unverified. Accordingly, the Distribution Trustee reserves the right to object to the Recouped Warranty Claims.⁹

22. Additionally, Daimler expressly reserved its right to set off any amounts it owes to the Debtor pursuant to Article I of the Plan.¹⁰ Addendum, ¶ 18.

IV. Insufficient Documentation

23. The Warranty Claims set forth in the Proof of Claim should be disallowed and expunged because they (i) fail to include or attach sufficient information or documentation to constitute prima facie evidence of the validity and amount of the claim, as required by Bankruptcy Rule 3001(c), and (ii) do not have a basis in the Books and Records.

24. Despite the Distribution Trustee’s repeated efforts to obtain additional information and documentation from Daimler—including informal discovery requests sent on or around

⁹ The Distribution Trustee has no visibility into the appropriateness or accuracy of Daimler’s warranty claim processing practices. It is the Distribution Trustee’s understanding that Daimler would frequently offset warranty claims against amounts owed to the Debtors by simply deducting warranty claim amounts from Proterra’s receivables, irrespective of the protocol under the Long Term Agreement and often without prior explanation or validation. Apparently, in some instances, these chargebacks were disproportionately high, even approaching or exceeding the value of the original product.

¹⁰ It is the Distribution Trustee’s understanding that the Debtor holds a receivable against Daimler totaling \$2,876,979.30 (the “Receivable”) and asserts, at a minimum, a right to set off or recoup the Receivable amount against the Warranty Claims. Additionally, the Distribution Trustee reserves the right to pursue payment of any outstanding accounts receivable owed by Daimler, including, but not limited to, the Receivable.

October 29, 2024 (attached to the Sabzevari Declaration as **Exhibit A**)—Daimler has failed to provide any substantive response. *See* Sabzevari Declaration, Ex. A; *id.* ¶ 7–9. These efforts have included various Zoom meetings and correspondence with Daimler’s counsel, none of which have resolved the Distribution Trustee’s concerns as to the validity of the Warranty Claims or requested in the production of any documents to support the calculation of the contingent Warranty Claims. *Id.* ¶ 9.

25. Accordingly, the Distribution Trustee files this Objection and respectfully requests that the Court disallow and expunge the Warranty Claims set forth in the Proof of Claim.

OBJECTION

26. The Distribution Trustee objects to Daimler’s Proof of Claim on the basis that it lacks sufficient information and documentation to constitute prima facie evidence of the validity and amount of the claim asserted. Daimler’s claim relies on speculative calculations of contingent liabilities without providing the necessary supporting documentation to substantiate the existence or extent of its alleged Warranty Claims. The Proof of Claim fails to include sufficient invoices, agreements, statements, or other evidence to support Daimler’s assertion of \$80,202,976.91 in damages. Instead, Daimler relies on generalized calculations and estimates as evidenced most clearly by the Addendum, leaving the Distribution Trustee and his professionals unable to reconcile the Claim with the Books and Records. Despite a thorough review and reasonable efforts by the Distribution Trustee and his professionals to reconcile the Proof of Claim with the Books and Records, no evidence has been found to support of the validity of, or the amount asserted in, the Proof of Claim. *See id.* ¶¶ 5–6.

27. Bankruptcy Rule 3001(a) requires that “[a] proof of claim shall conform substantially to the appropriate Official Form,” while Bankruptcy Rule 9009 directs that the

Official Forms “shall be used without alteration.” Fed. R. Bankr. P. 3001(a), 9009. Official Form 410 further provides that filers shall “[a]ttach redacted copies of any documents that support that claim...if the documents are not available, explain in an attachment.” Daimler’s Proof of Claim fails to meet these documentation requirements.¹¹

28. Bankruptcy Rule 3001(f) provides that a proof of claim executed and filed in accordance with the rules of procedure (*i.e.*, includes the facts and documents necessary to support the claim) constitutes prima facie evidence of the validity and amount of the claim. Fed. R. Bankr. P. 3001(f). However, this Court has recognized the position that a proof of claim lacking the supporting documentation required by Bankruptcy Rule 3001, as here, does not receive the presumption of prima facie validity; rather, the claimant maintains the burden of proving its claim by a preponderance of the evidence. *See In re New Century TRS Holdings, Inc.*, 495 B.R. 625, 633 (Bankr. D. Del. 2013) (citing *In re Kincaid*, 388 B.R. 610, 614 (Bankr. E.D. Pa. 2008)); Fed. R. Bankr. P. 3001(f); *see also In re Am. Home Mortg., Holdings, Inc.*, 501 B.R. 44, 62 (Bankr. D. Del. 2013) (concluding that where a proof of claim does not provide the facts and documents necessary to support the claim, it is not entitled to the presumption of prima facie validity).

29. Indeed, in *In re Gottschalks*, Hon. Keven J. Carey sustained a debtors’ omnibus claim objection and concluded that “[c]laims for which no supporting documentation was included or attached to the Proofs of Claim, therefore, fail to provide prima facie evidence of the validity and amount of the claims.” *In re Gottschalks Inc.*, No. 09-10157 (KJC), 2014 WL 13064807, at

¹¹ While Daimler states that “any summaries, listings, and descriptions included in this proof of claim, along with copies of the Daimler Truck Contracts, invoices, and other documents supporting the Claim, are not attached due to their voluminous and/or confidential nature,” Daimler further asserts that these documents were sent to, or provided by, the Debtor and can be made available upon request and execution of a mutually acceptable confidentiality agreement. Addendum at n. 2. Despite these assertions, the Distribution Trustee has not received, nor does he have access to, any of these documents even after serving informal discovery requests and following up on those requests on several occasions because of Daimler’s failure to respond. *See id.* ¶ 9.

*1 (Bankr. D. Del. Aug. 6, 2014). Other courts within this circuit have reached the same conclusion. *See In re Moore*, No. 1:14-BK-03779-MDF, 2016 WL 1177845, at *3 (Bankr. M.D. Pa. Mar. 22, 2016); *In re Black, Davis & Shue Agency, Inc.*, 460 B.R. 407, 416 (Bankr. M.D. Pa. 2011) (each finding that where a creditor fails to attach sufficient supporting documentation to a proof of claim, the prima facie validity of the claim under Rule 3001(f) is lost.).

30. Here, Daimler has failed to provide such documentation, and as a result, the Warranty Claims asserted in the Proof of Claim do not enjoy prima facie validity and should be expunged. If the Proof of Claim is not disallowed and expunged the potential exists for Daimler to receive recoveries to which they are not entitled, to the detriment of other creditors. Thus, the relief requested herein is necessary to prevent any inappropriate distribution of estate funds and to facilitate the administration of the claims allowance process.

RESERVATION OF RIGHTS

31. The Distribution Trustee hereby reserves the right to amend, modify, or supplement the objections asserted herein and to file additional objections to the Proof of Claim or to the amount and priority of any other claims asserted by Daimler.

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CONCLUSION

WHEREFORE, the Distribution Trustee respectfully requests that the Court (i) enter the order, attached hereto as **Exhibit 4**, disallowing and expunging the Proof of Claim, and (ii) grant such other relief as the Court may deem just and proper.

Dated: February 18, 2025

MORRIS JAMES LLP

/s/ Siena B. Cerra

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Counsel to the Distribution Trust

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

In re:

Prodigy Investment Holdings, Inc.,¹

Reorganized Debtor.

Chapter 11

Case No. 23-11120 (BLS)

(Jointly Administered)

Hearing Date: March 26, 2025 at 9:00 a.m. (ET)

Response Deadline: March 11, 2025 at 4:00 p.m. (ET)

**NOTICE OF DISTRIBUTION TRUSTEE'S OBJECTION TO CLAIM NUMBER 1325
FILED BY DAIMLER TRUCK NORTH AMERICA LLC**

PLEASE TAKE NOTICE that on February 18, 2025, Steven Balasiano, in his capacity as the distribution trustee (the "Distribution Trustee") of the PTR A Distribution Trust, filed the *Distribution Trustee's Objection to Claim Number 1325 Filed By Daimler Truck North America LLC* (the "Claim Objection") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that responses, if any, to the Claim Objection must be in writing, in conformity with the Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court for the District of Delaware, filed with the Bankruptcy Court as to be received on or before **March 11, 2025 at 4:00 p.m. (ET)** (the "**Response Deadline**"). At the same time, you must also serve a copy of the response upon the undersigned counsel.

PLEASE TAKE FURTHER NOTICE THAT a hearing on the Claim Objection is scheduled for **March 26, 2025 at 9:00 a.m. (ET)** (the "**Hearing**") before the Honorable Brendan L. Shannon, United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom #1, Wilmington, Delaware 19801.

IF NO RESPONSES ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN CONNECTION WITH SUCH PLEADINGS WITHOUT FURTHER NOTICE OR HEARING.

¹ The Reorganized Debtor in this Chapter 11 Case, along with the last four digits of the Reorganized Debtor's federal tax identification number, is: Prodigy Investments Holdings, Inc. (9565). The location of the Reorganized Debtor's service address is: 3350 Virginia St., 2nd Floor, Miami, FL 33133.

Dated: February 18, 2025

MORRIS JAMES LLP

/s/ Siena B. Cerra

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Counsel to the Distribution Trust

EXHIBIT 1

Sabzevari Declaration

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

In re:

Prodigy Investment Holdings, Inc.,¹

Reorganized Debtor.

Chapter 11

Case No. 23-11120 (BLS)

(Jointly Administered)

**DECLARATION OF FARZAN SABZEVARI IN SUPPORT OF THE
DISTRIBUTION TRUSTEE’S OBJECTION TO CLAIM NUMBER 1325
FILED BY DAIMLER TRUCK NORTH AMERICA LLC**

Pursuant to 28 U.S.C. § 1746, I, Farzan Sabzevari, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge and belief:

1. I am a senior analyst at Province, LLC (“Province”), a nationally recognized restructuring and financial advisory firm that has its principal office at 2360 Corporate Circle, Suite 340, Henderson, Nevada, 89074. Province serves as financial advisor to the PTR A Distribution Trust (the “Distribution Trust”) established in the above-captioned chapter 11 case (the “Chapter 11 Case”) of the reorganized debtor (“Prodigy” or the “Reorganized Debtor”).

2. I submit this declaration (the “Declaration”) in support of the *Distribution Trustee’s Objection to Claim Number 1325 Filed by Daimler Truck North America LLC* (the “Objection”) filed contemporaneously herewith,² and state that the information contained this Declaration is true and correct to the best of my knowledge and belief, and based on the information and records available to me.

¹ The Reorganized Debtor in this chapter 11 case, along with the last four digits of the Reorganized Debtor’s federal tax identification number, is: Prodigy Investments Holdings, Inc. (9565). The location of the Reorganized Debtor’s service address is: 3350 Virginia St., 2nd Floor, Miami, FL 33133.

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Objection.

3. Except as otherwise indicated, all statements in this Declaration are based upon (i) my personal knowledge, and / or (ii) my review of the Books and Records, the Schedules filed in these Chapter 11 Cases, the Proof of Claim, and the Claims Register, as well as relevant documents and other information prepared or collected by the Debtors' former employees or professionals, and / or the Distribution Trustee's and the Reorganized Debtor's consultants or professionals.

4. I have reviewed the Proof of Claim and the supporting documentation annexed to it, to determine the bases upon which liability was asserted against the Debtors and the Reorganized Debtor.

5. The Proof of Claim and the supporting documentation submitted therewith were reviewed to confirm that the Proof of Claim lacks sufficient support and documentation to constitute prima facie evidence of the validity of the claims.

6. I, or persons under my supervision or employed by the Distribution Trust, have reviewed the Books and Records and, after reasonable efforts were made, have been unable to locate any documentation that would substantiate the Proof of Claim in full or in part.

7. On October 29, 2024, the Distribution Trustee sent informal discovery requests to counsel for Daimler via email requesting to support for the Proof of Claim (the "Discovery Requests").

8. Attached hereto as **Exhibit A** is a true and correct copy of the Discovery Requests.

9. Despite several Zoom meetings and follow up communications with Daimler's counsel, no documents responsive to the Discovery Requests have been produced to date.

10. The information contained in the Objection are correct to the best of my knowledge, information, and belief.

11. A true and correct copy of the Long Term Agreement is attached to the Objection as Exhibit 2.

12. A true and correct copy of the Limited Supply Agreement is attached to the Objection as Exhibit 3.

13. I declare under penalty of perjury that the foregoing information is true and correct to the best of my knowledge, information, and belief.

Dated: February 18, 2025

/s/ Farzan Sabzevari
Farzan Sabzevari

EXHIBIT A

Discovery Requests

From: Chafetz, Eric S.
Sent: Tuesday, October 29, 2024 10:51 AM
To: Khatchatourian, Emil; Barnett, Shawn; McGuffey, Nora J.; Simon, John A.; rpalacio@ashbygeddes.com; gtaylor@ashbygeddes.com
Cc: Besikof, Daniel B.; Mannix, Erica G.; Moynihan, Kelly E.; Cohen, Jeffrey L.; Clark, Brittany M.
Subject: RE: Proterra - Daimler Receivables

Emil, et. al.:

We hope all is well.

The Trustee is reviewing and analyzing the various rejection damages claims filed against the Debtors, including Daimler's claim (Claim No. 1325). The Trustee is also evaluating the amounts due to the Trust from Daimler in respect of accounts payable owed by Daimler. In order to complete our analysis, we need additional information regarding Daimler's asserted rejection damages and offsets to the payment of accounts payable, including evidence supporting the same. Below are the Trustee's initial informal document requests:

1. All invoiced amounts since January 1, 2020.
2. All paid amounts since January 1, 2020.
3. All debits and reversing credits issued since January 1, 2020.
4. All warranty claims and supporting documentation since January 1, 2020.
5. Complete buildup of the claim value asserted against the Debtors, including but not limited to unit-level detail with purchase, service, and warranty history for each of the units supporting the claim.
6. All evidence supporting the validity of warranty claims, offsets, and physical support of all asserted warranty claims since January 1, 2020.
7. All communications with Proterra regarding debit and warranty offsets since January 1, 2020.

As the Trust would prefer resolving Daimler's claim informally, please let us know if Daimler would be amenable to providing documents on an informal basis. To the extent that documents are not provided informally, the Trustee reserves all rights to engage in formal discovery, including by filing a Rule 2004 motion seeking the production of the above documents.

Happy to set up a call to discuss.

Eric S. Chafetz
Partner
Lowenstein Sandler LLP

T: (646) 414-6886

M: (646) 345-1466



EXHIBIT 2

Long Term Agreement

[FILED UNDER SEAL]

EXHIBIT 3

Limited Supply Agreement

[FILED NDER SEAL]

EXHIBIT 4

Proposed Order

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

In re:

Prodigy Investment Holdings, Inc.,¹

Reorganized Debtor.

Chapter 11

Case No. 23-11120 (BLS)

(Jointly Administered)

Re: Docket No. ____

**ORDER GRANTING DISTRIBUTION TRUSTEE’S OBJECTION TO CLAIM
NUMBER 1325 FILED BY DAIMLER TRUCK NORTH AMERICA LLC**

Upon consideration of the *Distribution Trustee’s Objection to Claim Number 1325 Filed by Daimler Truck North America LLC* (the “Objection”);² and this Court having jurisdiction to consider the Objection and the relief requested therein 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 the matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Objection being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Objection having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and the Court having considered the Objection, Claim 1325 and its Addendum, and any responses thereto, and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

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² Terms not otherwise defined in this order have the meaning attributed to them in the Objection.

ORDERED, ADJUDGED, AND DECREED:

1. The relief requested in the Objection is **GRANTED** to the extent set forth herein.
1. The administrative claim portion of Claim No. 1325, consisting of \$6,495,417.12, has been withdrawn pursuant to D.I. 1390.
2. The remaining claim portion of Claim No. 1325, a general unsecured claim in the amount of \$80,202,976.91, is hereby disallowed and expunged in its entirety.
3. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.