

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

In re: QLESS, INC. ¹ Debtor.	Chapter 11, Subchapter V Case No. 24-11395 (BLS) Related D.I.: 70, 118 and 122
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**STATEMENT OF CELTIC BANK CORPORATION
IN RESPONSE TO OBJECTION OF ALEX BÄCKER AND CERTAIN PREFERRED
SHAREHOLDERS TO DEBTOR’S SUBCHAPTER V ELIGIBILITY AND PLAN**

Celtic Bank Corporation (“Celtic Bank”), by and through its undersigned counsel, hereby submits this statement in response to the *Objection of Alex Bäcker and Certain Preferred Shareholders to Debtor’s Subchapter V Eligibility and Plan* (the “Plan Objection”), and in support thereof respectfully represents as follows:

1. On July 19, 2024, the QLess, Inc. (the “Debtor”) filed its *Plan* [D.I. 70] (the “Plan”). On August 21, 2024, the Debtor filed its *Amended Plan*, which supersedes the previously-filed Plan [D.I. 122].

2. On that same day, Alex Bäcker and certain preferred shareholders (collectively, the “Objecting Parties”) filed the Plan Objection [D.I. 118]. In their Plan Objection, the Objecting Parties take issue with a number of the Plan’s provisions, as well as the Debtor’s subchapter V eligibility. While Celtic Bank will leave things to the Debtor to respond to the Plan Objection should it determine to do so, Celtic Bank files this statement to address matters specific to it.

3. In what appears to be part of their challenge to the subchapter V designation, the Objecting Parties raise questions regarding Celtic Bank’s secured claim and, in particular, the amount thereof. *See* Plan Objection, ¶32 and n. 7. To avoid any doubt surrounding Celtic

¹ The Debtor’s principal place of business and service address is 21 Miller Alley, Suite 210, Pasadena CA 91105.



Bank's secured claim, and to provide the Objecting Parties, the Debtor and the Court certainty as to the amount of that claim, Celtic Bank held – as of the Petition Date (June 19, 2024) – a secured claim in the amount of \$6,445,047.91 (\$6,250,000 in principal, and \$195,047.91 in accrued interest).² Celtic Bank stands ready to support its claim and the amount thereof. Should the Court have any questions regarding Celtic Bank's secured claim, Celtic Bank likewise stands ready to address them.

4. Celtic Bank supports the Plan (now, as amended) and respectfully requests that the Court confirm the same at the hearing scheduled on August 27, 2024.

Dated: August 23, 2024

ASHBY & GEDDES, P.A.

/s/ Ricardo Palacio

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Counsel to Celtic Bank Corporation

² Such amount is without prejudice to any obligations that may arise post-petition under Celtic Bank's operative loan documents.

CERTIFICATE OF SERVICE

The undersigned certifies that on August 23, 2024, a copy of the attached *Statement of Celtic Bank Corporation in Response to Objection of Alex Bäcker and Certain Preferred Shareholders to Debtor’s Subchapter V Eligibility and Plan* was served upon (i) all parties of record via CM/ECF; and (ii) the parties listed below via electronic mail.

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Dated: August 23, 2024

/s/ Ricardo Palacio
Ricardo Palacio (DE Bar No. 3765)