IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AMERICAN SIGNATURE, INC., *et al.*,[1]	Case No. 25-12105 (JKS)
Debtors.	(Jointly Administered)

RESPONSE OF RIVERSIDE FURNITURE CORPORATION TO DEBTORS' SECOND OMNIBUS (SUBSTANTIVE) OBJECTION TO CERTAIN REDUCE AND ALLOW CLAIMS, RECLASSIFY CLAIMS AND NO LIABILITY CLAIMS

Riverside Furniture Corporation ("Riverside"), by and through its undersigned counsel, hereby files this initial response (this "Response") to *Debtors' Second Omnibus (Substantive) Objection to Certain Reduce and Allow Claims, Reclassify Claims and No Liability Claims* (D.I. 1033, the "Objection") filed by the above-captioned Debtors (collectively, the "Debtors" or "ASI"). As discussed below, the boilerplate Objection should be overruled because it is not supported by any evidence to negate the *prima facie* validity of the Proofs of Claim. In support of this Response, Riverside respectfully represents as follows:

I. BACKGROUND

a. The Debtors' Supply, Delivery and Distribution System

1. According to the Debtors, ASI operated a residential furniture company under its Value City Furniture and American Signature Furniture brands having more than 120 stores across

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: American Signature, Inc. (6162); American Signature Home Inc. (8573); American Signature USA Inc. (6162); ASI Pure Promise Insurance LLC (6162); ASI Elston LLC (7520); ASI – Laporte LLC (6162); ASI Polaris LLC (6162); ASI Thomasville LLC (6162); and American Signature Woodbridge LLC (6162). The Debtors' business address is 4300 E. 5th Avenue, Columbus, OH 43235.

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17 states (collectively, "ASI Stores"). Declaration of Rudolph Morando at ¶ 6 (D.I. 5, the "Morando Decl.").

2. ASI offered "a wide variety of furniture, including living room sets, dining room sets, mattresses, and décor" (including the Riverside merchandise, as applicable, the "Merchandise"), sourced primarily from Asia, to be sold through retail brick-and-mortar as well as e-commerce channels. *Id.*, ¶ 13. ASI also utilized a broad base of suppliers to source Merchandise globally, originating primarily from Vietnam and Malaysia, to stock its U.S. distribution centers located in Thomasville, GA, LaPorte, IN, Columbus, OH, and Ruther Glen, VA (the "Distribution Centers"). *Id.*, ¶ 14.

3. ASI utilized the services of three main ocean carriers to support its large volume of international shipments of Merchandise to stock ASI Stores: (a) MSC – Mediterranean Shipping Company, (b) ZIM Integrated Shipping Services Ltd., and (c) Hapag-Lloyd AG (the "Ocean Carriers"). *Debtors' Motion for Entry of Interim and Final Orders Authorizing Debtors to Pay Prepetition Claims of Shippers and Custom Representatives* (D.I. 11, the "Shipping Motion"), ¶ 9. The Ocean Carriers were responsible for delivering international shipments of Merchandise from foreign manufacturers to U.S. customs facilities located at various ports in the United States. *Id.*

4. ASI claims that it relied on customs brokers "to obtain possession" of Merchandise as it arrived in the United States and to process its release from the customs facilities. *Id.* After clearing customs, ASI moved Merchandise from the customs facilities to the Distribution Centers via drayage (shipping container) carriers, freight forwarders, and other third-party shippers (collectively, with the Ocean Carriers, the "Common Carriers"). *Id.*, ¶¶ 10-13.

b. Riverside's Proofs of Claim

5. On November 22, 2025 (the "Petition Date"), the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

6. On December 2, 2025, Riverside filed a proof of claim against Debtor, American Signature, Inc., assigned claim number 321, asserting a total claim in the amount of $6,041,164.01 ("Claim 321") of which $852,112.31 was marked as being entitled to priority as an administrative expense.

7. On April 6, 2026, Riverside filed a proof of claim against Debtor, American Signature, Inc., assigned claim number 9913, asserting an administrative claim in the amount of $1,127,618.00 ("Claim 9913" and together with Claim 321, the "Proofs of Claim").[2]

8. Following further reconciliation, of the total amounts asserted in the Proofs of Claim, $272,695.00 is entitled to administrative priority under 11 U.S.C. § 503(b)(9) (the "503(b)(9) Claim"), and $680,493.31 is entitled to administrative priority under 11 U.S.C. § 503(b)(1) (the "Postpetition Admin Claim" together with the 503(b)(9) Claim, the "Admin Claim"). The 503(b)(9) Claim relates to Merchandise ordered by, shipped to, and received by the Debtors in the ordinary course business within the twenty-day period before the Petition Date. Likewise, the Postpetition Admin Claim relates to goods delivered postpetition, and such claim is entitled to administrative priority because the Merchandise benefited the estates.

[2] Claim 321 and Claim 9913 are largely duplicative of each other. For avoidance of doubt, Riverside seeks allowance and payment of only the reconciled Admin Claims as set forth in paragraph 8 of this Response, as further detailed on Riverside's amended proof of claim filed on October 14, 2026.

c. Riverside's Prepetition Relationship with ASI

9. Riverside, through its factories in Vietnam, historically supplied merchandise to ASI in the ordinary course of business. When ASI placed an order, it would submit a purchase order to Riverside, instructing Riverside to ship merchandise to its Distribution Centers.

10. Consistent with the process described more fully in the Shipping Motion, ASI would arrange for the shipment of Riverside products via Ocean Carriers, and Riverside would deliver products directly from their factories in Vietnam to the Ocean Carriers at various ports of origin. *See* Shipping Mot., ¶ 9. As the Debtors have previously acknowledged, once Riverside products arrived at U.S. ports, the Debtors' Customs Broker (as defined in the Shipping Motion) "obtained possession" of the Merchandise. Shipping Mot., ¶ 9.

d. The Debtors' Claim Objection

11. On August 27, 2026, the Debtors filed the Objection which, via conclusory statements on Schedule 2, seeks to reclassify the 503(b)(9) portions of the Proofs of Claim to the status of general non-priority unsecured claims.

12. With respect to Claim 321, the Debtors state:

> The Debtors object to certain of the administrative claims asserted pursuant to Section 503(b)(9) because the goods related to such claims were not received by the Debtors in the 20 days prior to the Petition Date. The Debtors seek to reclassify the claim to a general unsecured claim.

13. Likewise, with respect to Claim 9913, the Debtors state:

> The Debtors object to invoices dated between 8/27/2025 through 9/14/2025 of the administrative claims asserted pursuant to Section 503(b)(9) because the goods related to such claims were not received by the Debtors in the 20 days prior to the Petition Date. The Debtors seek to reclassify these charges as general unsecured claims. Remaining charges are duplicative of claim #321 or do not have invoice support to opine [sic].

II. RESPONSE TO CLAIM OBJECTION

14. The debtors purchased merchandise form Riverside, and all said merchandise was delivered to the Debtors. The Debtors owe Riverside no less than $6,041,164.01 for the delivered merchandise. Of that amount, $272,695.00 is for goods sold to and received by ASI in the ordinary course of business within twenty days of the Petition Date, and $680,493.31 is for goods ordered by the Debtors pre-petition and delivered to the Debtors during the postpetition period. The priority of the amounts asserted in the Proofs of Claim can be determined by Debtors' receipt dates and the Debtors' own statements concerning the critical nature of the postpetition supply chain that included the Merchandise provided by Riverside. *See* Shipping Mot., ¶ 14. Accordingly, Riverside has made a *prima facie* showing for an administrative priority claim in the amount of $953,188.31 and a general unsecured claim in the amount of $5,087,975.70 under Bankruptcy Rule 3001(f).

15. As a threshold matter, the Objection is boilerplate. It fails to provide any evidence disputing any of the facts presented in the Proofs of Claim and the Debtors have produced no evidence that can negate the *prima facie* validity of the Proofs of Claim under Rule 3001(f) of the Federal Rules of Bankruptcy Procedure. Fed. R. Bankr. P. 3001(f); *In re Allegheny Int'l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992) (objecting party "must produce evidence which, if believed, would refute at least one of the allegations that is essential to the claim's legal sufficiency.").

16. Boilerplate objections without supporting evidence "do not rebut the *prima facie* validity of a claim because they fail to rebut at least one essential element of the claim." *See In re Eletson Holdings Inc.*, 665 B.R. 223, 253 (Bankr. S.D.N.Y. 2024); *In re F-Squared Inv. Mgmt., LLC*, 546 B.R. 538, 542-46 (Bankr. D. Del. 2016) (analyzing shifting burdens of proof and denying Trust's objection to claim because the Trust has not carried its initial burden of proof in negating

the *prima facie* validity of the Proof of Claim); *In re Coppedge*, 555 B.R. 456, 458, 460 (Bankr. M.D. Pa. 2016) (overruling boilerplate objections where "the Debtors presented absolutely no facts intending to defeat the claims by probative force equal to the allegations of the proofs of claim.").

17. The Debtors, as the objector, "must produce actual evidence; "[m]ere allegations, unsupported by evidence, are insufficient to rebut the movant's prima facie case."' *F-Squared Inv. Mgmt.,* 546 B.R. 538, 544.

18. Here, the Debtors' recharacterization arguments rest squarely on conclusory statements that receipt of the Merchandise did not occur during the 20 days preceding the Petition Date without providing any evidentiary support for such determination, invoice as invoice as set forth in the Proofs of Claim. Accordingly, the boilerplate Objection should be overruled because the Debtors have not carried their initial burden of proof in negating the *prima facie* validity of the Proof of Claim.[3][4]

[3] While the Proofs of Claim did not identify a legal theory on account of post-petition deliveries, it included the necessary factual data to support an administrative claim under section 503(b)(1) of the Bankruptcy Code. Riverside field the Amended Claim (amending the prior Proofs of Claim) clarifying and augmenting the legal theories and providing further support for the administrative claim asserted in the Proofs of Claim. Such amendments are freely permitted. *In re Maxus Energy Corp.*, 2023 WL 5543612 (Bankr. D. Del. Aug. 28, 2023) ("amendments to proofs of claim should be freely allowed where the purpose is to cure defects in a claim as originally filed, to describe a claim with greater particularity, or to plead new theories of recovery on facts set forth in the original claim." (citations omitted); *In re Pocono Mt. Lake Forest Cmty. Ass'n.*, 2024 WL 4197709 (Bankr. M.D. Pa. Sept. 13, 2024) (same and authorizing *post facto* amendment to proof of claim). To the extent necessary to formalize Riverside's amendment of the Proofs of Claim as set forth on the Amended Claim, whether by virtue of Rule 15 or otherwise, this Response shall be considered as Riverside's motion seeking permission for such amendment.

[4] While the Objection does not seek to disallow the Admin Claim under section 502(d) of the Bankruptcy Code, such objection would have no merit. E.g., *Friesinger v. Gay (In re Carnell Sims)*, 2026 Bankr. LEXIS 2504, *17 (Bankr. S.D.Ohio Oct. 4, 2026) (Section 502(d) does not apply to administrative expense claims); *Giuliano v. Mitsubishi Digital Elecs. America, Inc. (In re Ultimate Acquisition Partners, LP*), 2012 Bankr. LEXIS 1905, *8-*10 (Bankr. D. Del. May 1, 2012) (same).

a. The Debtors "Received" Riverside's Merchandise when the Customs Broker Obtained Possession of the Merchandise in the U.S. Port.

19. As noted above, the Objection summarily states that the Merchandise subject to the 503(b)(9) portion of the Proofs of Claim was not received by the Debtors within 20 days of the Petition Date. **Exhibit A** to this Response, and Riverside's amended proof of claim filed on October 14, 2026 and marked as Claim No. 13043 (the "Amended Claim"), set forth the dates the Merchandise subject to the invoices identified in the Proofs of Claim was received by the Debtors during the administrative periods. That is, at the earliest, the Merchandise was received by the Debtors upon the Customs Broker's actual possession of the Merchandise following its entry into the United States.

20. Because the Bankruptcy Code does not define the term "received" for purposes of section 503(b)(9), the Third Circuit Court of Appeals has interpreted that term to include situations where the debtor "constructively received" possession through an agent or bailee who took actual possession of the goods under applicable principles of the Uniform Commercial Code ("UCC"). *See In re World Imports, Ltd.*, 862 F.3d 338, 345-46 (3d Cir. 2017) (applying UCC principles).

21. Thus, for goods to be "received" by a debtor for purposes of section 503(b)(9), either the debtor or its agent must take "physical possession" of the goods, not the mere passing of title. *In re SRC Liquidation, LLC*, 573 B.R. 537, 540-41 (Bankr. D. Del. 2017). When an agent obtains physical possession on behalf of the buyer, the buyer has constructively received the goods and the seller's right to stop delivery is extinguished. *Id.*

22. In applying this interpretation, bankruptcy courts in the Third Circuit have long recognized that Common Carriers do not qualify as agents of the debtor for purposes of constructive receipt under 11 U.S.C. § 503(b)(9). *Id.* at 542; *World Imports,* 862 F.3d 338, 345-46 (citing cases); *see also In re Trico Steel Co., L.L.C.*, 2002 WL 2008198 (Bankr. D. Del. Aug.

28, 2002), *aff'd sub nom*. *In re Trico Steel Co., L.L.C.*, Inc., 302 B.R. 489 (D. Del. 2003) (possession by "mere intermediary or link in transit" does not constitute receipt); *In re Marin Motor Oil, Inc.*, 740 F.2d 220, 222 (3d Cir. 1984) (receipt by bailee establishes constructive possession). Notably, *World Imports* specifically held that goods shipped FOB by an ocean carrier, such as the Ocean Carriers, cannot be deemed constructively received by the debtor on the date the goods are loaded onto the vessel at the port of origin. *World Imports*, 862 F.3d 338, 344 ("Constructive receipt thus does not include "FOB delivery" to a common carrier . . . .").

23. Accordingly, for purposes of 11 U.S.C. § 503(b)(9), the earliest that the Debtors obtained constructive possession of the Merchandise was the date when the Customs Broker obtained physical possession on behalf of the Debtors at the U.S. ports. As set forth on Exhibit A, that Merchandise totaled $272,695.00.

b. The Postpetition Deliveries of Merchandise to the Debtors are Actual and Necessary Costs and Expenses of Preserving the Estate Ender 11 U.S.C. § 503(b)(1).

24. Claims for goods or services provided to the debtor that constitute "actual and necessary costs and expenses of preserving the estate" are entitled to administrative priority. 11 U.S.C. § 503(b)(1)(A). Where the debtor-in-possession chooses to operate the business postpetition, "those 'costs of doing business' are incidental to having the business operate and thus must be viewed as 'necessary' to obtaining the benefits associated with operating." *In re Oldco Tire Distributors, Inc.*, 676 B.R. 310, 320 (Bankr. D. Del. 2025). Thus, for a creditor's claim to be payable on a priority basis as an administrative expense, (1) there must be a postpetition transaction between the creditor and the debtor, and (2) the bankruptcy estate must receive a benefit from the transaction. *In re Valley Media, Inc.*, 279 B.R. 105, 140-41 (Bankr. D. Del. 2002).

25. This Court has expressly held that post-petition deliveries on account of pre-petition orders are entitled to administrative expense status. *See In re Bluestem Brands, Inc.*, No. 20-10566 (MFW), 2021 WL 3174911, at *6 (Bankr. D. Del. July 27, 2021) (postpetition deliveries based on prepetition orders satisfy test for administrative priority where goods preserve estate value). Other courts are in accord. *In re Chateaugay Corp*., 10 F.3d 944, 956 (2d. Cir. 1993) (obligation arising from postpetition performance relating to prepetition transaction entitled to administrative expense priority); *In re John Clay & Co.*, 43 B.R. 797, 809-12 (Bankr. D. Utah 1984) (same). Without controversy, debtors have taken similar positions in other cases. *See In re Kidde-Fenwal, Inc.*, No. 23-10638-LSS (Bankr. D. Del. Jun. 21, 2023) (D.I. 192, ¶ 8) (seeking, and receiving, confirmation that postpetition deliveries on account of prepetition orders are entitled to administrative priority); *In re 24 Hour Fitness Worldwide, Inc.*, No. 20-11558-KBO (Bankr. D. Del. July 13, 2020) (D.I. 539, ¶ 8) (same); *In re Saks Glob. Enterprises, LLC*, Case No. 26-90103 (Bankr. S.D.T.X.) (D.I. 868, ¶ 6) (same); *In Sears Holdings Corp.*, Case No. 18-23538 (Bankr. S.D.N.Y.) (D.I. 843, ¶ 8) (same).

26. It is undisputed that Riverside delivered Merchandise to the Debtors postpetition, and that said Merchandise was sold by the Debtors postpetition. This resulted in a direct benefit to the Debtors' estates and supports the allowance of such claims as an administrative expense priority under 11 U.S.C. § 503(b)(1) in the amount of $680,493.31.

III. RESERVATION OF RIGHTS

27. Riverside reserves its rights to amend, supplement, or modify this Response or its Proofs of Claim at any time and in any manner.

28. Further, Riverside expressly reserves the right to file an adversary proceeding or other legal action, or a motion seeking relief with respect to Riverside's claims, including a motion

for allowance and payment of the amounts described in the Proofs of Claims (and the amended by the Amended Claim) as administrative priority claims or to assert any other rights against the Debtors based upon facts learned in discovery and/or postpetition conduct with respect to such claims.

IV. CONCLUSION

WHEREFORE, Riverside requests that the Court overrule the Objection, allow the Proofs of Claim in the amount of $953,188.31 as an administrative priority under 11 U.S.C. § 503, and in the amount of $5,087,975.70 as a general unsecured claim, as more fully set forth in the Amended Claim, and grant such other and further relief as the Court deems just and proper.

Dated: October 15, 2026

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EXHIBIT A

Administrative Claims

Riverside Furniture Corporation
Administrative Expense Claim Invoices[1]

Bill of Lading	Container No.	Carrier	Loaded at Origin Port	Discharge at Destination Port	Date of Receipt	Invoice	503(b)(9)	503(b)(1)	Total Admin
MEDUHQ754754	MSDU4733768	MSC	9/8/2025	10/28/2025	10/31/2025	INV15114	$35,180.00		
MEDUHQ751537	UETU7608015	MSC	9/12/2025	11/1/2025	11/3/2025	INV16705	$34,589.00		
MEDUHQ751537	MSDU4489986	MSC	9/12/2025	9/24/2025	11/3/2025	INV16704	$31,307.00		
MEDUHQ867861	MSNU9250675	MSC	9/20/2025	11/8/2025	11/17/2025	INV17771	$36,151.00		
MEDUHQ751115	CAXU4283113	MSC	9/15/2025	11/7/2025	11/18/2025	INV16717	$35,527.00		
MEDUHQ867861	MSDU4493733	MSC	9/20/2025	11/9/2025	11/18/2025	INV17774	$32,171.00		
MEDUHQ867861	MSDU4204337	MSC	9/20/2025	11/8/2025	11/18/2025	INV17773	$32,005.00		
MEDUHQ751115	FSCU4851287	MSC	9/13/2025	11/7/2025	11/20/2025	INV16718	$35,765.00		
MEDUKS389667	TLLU8945458	MSC	10/17/2025	11/28/2025	12/18/2025	INV19961		$24,023.00	
MEDUKS389725	CAAU7541979	MSC	10/20/2025	11/28/2025	12/19/2025	INV19987		$22,778.00	
MEDUKS389725	MSDU8243389	MSC	10/20/2025	11/28/2025	12/19/2025	INV19975		$22,750.00	
MEDUHQ864090	TRLU6734225	MSC	10/18/2025	12/4/2025	12/19/2025	INV19963		$26,385.00	
MEDUKS389774	MSBU8241959	MSC	10/19/2025	12/4/2025	12/19/2025	INV19969		$25,327.00	
MEDUHQ884593	TRHU8067083	MSC	10/6/2025	12/9/2025	12/19/2025	INV19005		$22,858.00	
ZIMUHCM80569627	TCKU7154652	ZIM	10/20/2025	12/4/2025	12/20/2025	INV20627		$28,438.91	
ZIMUHCM80569627	ZCSU7678556	ZIM	10/18/2025	12/4/2025	12/20/2025	INV20626		$28,379.01	
MEDUHQ965095	BMOU6025034	MSC	11/3/2025	12/9/2025	12/21/2025	INV20424		$40,050.00	
ZIMUHCM80569627	TCNU5350542	ZIM	10/17/2025	12/4/2025	12/21/2025	INV20628		$28,417.13	
MEDUHQ864090	MSMU8459672	MSC	10/18/2025	12/4/2025	12/22/2025	INV19967		$26,275.00	
MEDUKS389774	MEDU8848161	MSC	10/18/2025	12/4/2025	12/22/2025	INV19968		$25,515.00	
MEDUKS389824	MSDU8362984	MSC	10/18/2025	12/4/2025	12/22/2025	INV19966		$22,365.00	
MEDUKS389774	MEDU7834121	MSC	10/18/2025	12/4/2025	12/22/2025	INV19965		$25,431.00	
MEDUHQ815738	UETU6040131	MSC	10/4/2025	12/9/2025	12/24/2025	INV19000		$25,691.00	
MEDUHQ815738	MSNU5824420	MSC	10/6/2025	12/9/2025	12/26/2025	INV19006		$25,186.00	
ZIMUHCM80570708	TCNU3006749	ZIM	10/7/2025	11/24/2025	1/2/2026	INV19876 INV19877		$52,339.26	
ZIMUHCM80569629	TCNU5778757	ZIM	10/8/2025	11/22/2025	1/9/2026	INV19003		$46,650.00	
ZIMUHCM80569931	ZCSU7652680	ZIM	10/12/2025	11/22/2025	1/9/2026	INV19464		$40,050.00	
HLCUSGN2508AWKK	FSCU7234170	Hapag-Lloyd	9/13/2025	11/12/2025	11/21/2025	INV16819		$26,250.00	
HLCUSGN251072664	TCLU9506678	Hapag-Lloyd	10/22/2025	12/3/2025	12/12/2025	INV19964		$24,741.00	
HLCUSGN251072810	HAMU2869385	Hapag-Lloyd	10/22/2025	12/3/2025	12/13/2025	INV19989		$22,862.00	
HLCUSGN251072810	HLBU2792046	Hapag-Lloyd	10/22/2025	12/3/2025	12/13/2025	INV19974		$22,460.00	
HLCUSGN251072664	CAIU9423480	Hapag-Lloyd	10/22/2025	12/3/2025	12/14/2025	INV19970		$25,272.00	
						TOTAL	**$272,695.00**	**$680,493.31**	**$953,188.31**

[1] For purposes of this chart, amounts identified as entitled to administrative expense priority under section 503(b)(1) are asserted in the alternative to be entitled to priority under section 503(b)(9) to the extent applicable, and vice versa. The classification of any amount under a particular subsection is not intended to waive, limit, or prejudice any alternative basis for administrative expense priority.

CERTIFICATE OF SERVICE

I, Michael Barber, do hereby certify that, on October 15, 2026, I caused a copy *of Response of Riverside Furniture Corporation to Debtors' Second Omnibus (Substantive) Objection to Certain Reduce and Allow Claims, Reclassify Claims and No Liability Claims* to be served via the Court's Electronic Filing (CM/ECF) system on all parties registered to receive electronic notices in this case, and upon the parties listed below via electronic mail.

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/s/ Michael Barber
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