IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
IMPAC MORTGAGE HOLDINGS, INC., *et al.*,[1]	Case No. 26-10593 (CTG)
Reorganized Debtors.	(Joint Administration Requested)
	Related Docket No. 171

THE REORGANIZED DEBTORS' OBJECTION TO WASEEM NAIK'S MOTION FOR STAY PENDING APPEAL PURSUANT TO FRBP 8007

Impac Mortgage Holdings, Inc. and its affiliated debtors (collectively, the "Reorganized Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), by and through their undersigned counsel, submits this objection (the "Objection") to the *Motion for Stay Pending Appeal Pursuant to FRBP 8007* [Docket No. 171] (the "Stay Motion") filed by Waseem Naik (the "Appellant") and respectfully states as follows:

PRELIMINARY STATEMENT[2]

1. The Court confirmed the Debtors' Plan on May 29, 2026, following an uncontested hearing, with overwhelming creditor support. After sitting on his rights until the Plan became effective, Appellant—a vexatious litigant in a years-long foreclosure litigation—seeks in effect to unwind a complex, consummated reorganization and substantially modify the confirmed Plan. The relief Appellant seeks should be denied.

[1] The debtors (the "Debtors") in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Impac Mortgage Holdings, Inc. (5505); Copperfield Financial, LLC (7513); Copperfield Capital Corporation (4920); Impac Funding Corporation (4495); Impac Commercial Capital Corporation (0090); Impac Secured Assets Corp. (5871); IMH Assets Corp. (5301); Integrated Real Estate Services Corp. (2263); Impac Mortgage Corp. (3937); Impac Warehouse Lending, Inc. (0541); Synergy Capital Mortgage Corp. (9071); and Impac Warehouse Lending Group, Inc. (3488). The Debtors' mailing address is 19800 MacArthur Blvd., Suite 500, Irvine, CA 92612.

[2] Capitalized terms used but not defined shall have the same meanings as ascribed to them in the Plan, as defined herein.

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2. At the outset, the Stay Motion should be denied as moot. The Confirmation Order was entered on May 29, 2026, and the Effective Date occurred on June 10, 2026. Since then, the Debtors have emerged from bankruptcy and taken extensive, irreversible steps to implement the Plan. The publicly traded shares have been canceled. The Plan Sponsor has assumed ownership of the company. New boards of directors have been appointed and are currently serving. The Debtors not previously incorporated in or organized under the laws of Delaware have been redomiciled to Delaware. The reserves for distributions have been funded. The DIP Facility has been assumed as part of the Exit Loan Facility, which has been consummated, and millions of dollars have been advanced to the Company on account thereof. Each of these steps was taken in reliance on the Confirmation Order and the occurrence of the Effective Date. The transactions Appellant seeks to halt have already occurred. Accordingly, there is no actual or ongoing case or controversy that is capable of being adjudicated as it relates to the Stay Motion.

3. If the Court were to consider the Stay Motion on the merits, which it should not, Appellant likewise cannot satisfy the standard for a stay pending appeal. First, he has no likelihood of success on the merits. Appellant waived his right to appeal by failing to object to confirmation. He received notice of the Plan and the confirmation hearing but did not object, appear, or otherwise preserve any challenge to confirmation. His right to an appeal has thus been waived, and he should not now be permitted to disrupt a confirmed and substantially consummated Plan through a belated request for extraordinary relief.

4. Moreover, Appellant was afforded due process. He was provided with timely notice of the Plan in accordance with this Court's order governing Plan-related procedures. While the Debtors' cases were short, the notice periods relating to the Plan were not expedited and complied in all respects with the applicable Bankruptcy Rules. Appellant's disagreement with the

consequences of confirmation does not make valid notice inadequate or excuse Appellant's failure to participate when participation mattered.

5. Appellant also complains about supposed non-consensual releases and other provisions that are not contained in the Plan, seeks the appointment of an examiner after confirmation, alleges bad faith without a shred of evidentiary support, and mischaracterizes the Plan Sponsor—a third-party investor—as an insider. All of these arguments are baseless and amount to little more than an attempt to upend a confirmed and consummated reorganization.

6. The prejudice to the Reorganized Debtors and third parties of the relief sought by Appellant would be substantial—and Appellant does not seek to post a supersedeas bond, which is itself an alternative basis for denying the Stay Motion. Granting the Stay Motion would frustrate months of successful restructuring efforts and cast the Reorganized Debtors' businesses, ownership and management structures and financing into disarray, jeopardizing the Reorganized Debtors' fresh start, in contravention of public policy.

7. Finally, Appellant's request for a stay goes far beyond a mere stay. This vexatious litigant seeks an order that would: (i) create a "Consumer Borrower Carve-Out" exempting borrowers from the Plan's discharge and release provisions; (ii) enjoin the Reorganized Debtors in Appellant's New Jersey state court litigation; (iii) prohibit declaration of the Effective Date (which has already occurred); and (iv) waive any supersedeas bond. These requests are extraordinary, procedurally improper, and legally unsupported. They essentially seek to rewrite the Plan after consummation and grant Appellant substantive relief he never timely sought.

8. For these reasons, as further set forth below, the Stay Motion should be denied.

BACKGROUND AND PROCEDURAL HISTORY

Foreclosure Action and Related Litigation

9. On June 18, 2024, the predecessor to Nationstar Mortgage LLC ("Plaintiff")[3] commenced a residential mortgage foreclosure action against Appellant captioned *Impac CMB Trust Series 2003-9 v. Naik*, No. SWC-F-6108-24 (N.J. Super. Ct. Ch. Div. 2024) (the "Foreclosure Action"), pending in the Superior Court of New Jersey Chancery Division: General Equity Part Mercer County (the "Superior Court"). In the Foreclosure Action, Plaintiff seeks to foreclose upon Appellant's residence, where Appellant's underlying mortgage obligation dates to 1997.

10. Appellant represents himself in the Foreclosure Action *pro se*. The Foreclosure Action docket contains 238 pleadings filed over the span of two years, the majority of which were filed by Appellant, characterized by opposing counsel as an "an avalanche of communication and filings." *See* Foreclosure Action, Transaction No. CHC2025308429. So vexatious is Appellant as a litigant that on October 3, 2025, the Superior Court entered a gatekeeping order prohibiting Appellant from filing any document on the record absent prior permission from the court—a restriction that was enforced on at least two occasions when Appellant's filings were rejected as deficient. *See* Foreclosure Action, Transaction Nos. CHC202670023 and CHC202697126.

11. The Superior Court has denied virtually every substantive motion Appellant has filed, including his Motion to Dismiss (denied October 28, 2024), his Motion to Vacate (denied January 30, 2026), his Motion to Reconsider (denied April 10, 2026), and his Motion to Stay (denied May 22, 2026). *See* Foreclosure Action, Transaction Nos. CHC2024332915, CHC202635957, CHC2026119503, and CHC2026168349.

[3] On April 10, 2026, IMPAC CMB TRUST SERIES 2003-9F was substituted for Nationstar Mortgage LLC as Plaintiff. None of the Reorganized Debtors is not party to the Foreclosure Action.

12. Appellant's history of litigiousness spans decades. He represented himself in two prior foreclosure proceedings—one in 2007 [Docket No. F-23693-07] and one in 2015 [Docket No. F-28748-15]. Both prior actions were disposed of approximately 19 and 8 years ago, respectively, relate to the same residence and are invoked in the current Foreclosure Action. *See* Foreclosure Action, Transaction No. CHC202616834.

13. In addition, Appellant has filed at least two Chapter 13 bankruptcy petitions in the Bankruptcy Court for the District of New Jersey, (Case Nos. 18-15460-CMG and 21-18795-CMG), where he engaged in the same pattern of duplicative and overbroad motion practice. This history of serial, repetitive, and unsuccessful filings across multiple forums establishes a pattern of abusive litigation conduct that this Court should consider in denying the Stay Motion.

The Chapter 11 Cases

14. On April 26, 2026 (the "Petition Date"), the Debtors commenced the Chapter 11 Cases and filed the *Joint Prepackaged Chapter 11 Plan of Reorganization of Impac Mortgage Holdings, Inc. and Affiliates Thereof* [Docket No. 13] (together with all exhibits thereto, and as may be amended, modified or supplemented, the "Plan").

15. Also on the Petition Date, the Debtors filed their Disclosure Statement [Docket No. 9] and a motion seeking approval of the solicitation and scheduling procedures [Docket No. 15], which, among other things, established procedures for serving notice of the Plan and confirmation hearing and voting on the Plan and scheduled a combined hearing on approval of the Disclosure Statement and confirmation of the Plan for May 28, 2026 (the "Combined Hearing"). That motion was granted by order entered April 29, 2026 [Docket No. 73] (the "Procedures Order").

16. On April 29, 2026, the Debtors served Appellant with the *Notice of (I) Commencement of Prepackaged Chapter 11 Bankruptcy Case, (II) Combined Hearing on the Disclosure Statement, Confirmation of the Prepackaged Joint Chapter 11 Plan, and Related*

Matters, and (III) Objection Deadline [Docket No. 75] (the "Combined Hearing Notice"), which identified May 21, 2026 as the deadline to object to confirmation of the Plan and May 28, 2026 as the date of the Combined Hearing.

17. The Debtors served both Appellant and his spouse with copies of the Combined Hearing Notice by first-class mail at their address of record. *See* Docket No. 101 (Certificate of Service listing both "Waseem Naik" and "Asma W. Naik" as having received service via First Class Mail of the Combined Hearing Notice.)[4]

18. On May 29, 2026, this Court entered the *Findings of Fact, Conclusions of Law, and Order (I) Approving the Adequacy of the Disclosure Statement and (II) Confirming the Joint Prepackaged Chapter 11 Plan of Reorganization of Impac Mortgage Holdings, Inc. and Affiliates Thereof* [Docket No. 165] (the "Confirmation Order"). Appellant neither objected to confirmation of the Plan nor appeared at the Combined Hearing.

19. On June 10, 2026 (the "Effective Date"), the Plan became effective and the Debtors filed and served the *Notice of (I) Confirmation and Effective Date of the Joint Prepackaged Chapter 11 Plan of Reorganization of Impac Mortgage Holdings, Inc. and Affiliates Thereof and (II) Deadlines Under the Plan and Confirmation Order to File General Unsecured Proofs of Claims, Administrative Claims, Professional Fee Claims, and Rejection Claims* on Appellant [Docket No. 169] (the "Notice of Effective Date"); *see also* Docket No. 176 (Certificate of Service listing "Waseem Naik" and "Asma W. Naik" as having received service copies of the Notice of Effective Date via First Class Mail).

20. Upon the Effective Date and consummation of the Plan, the Debtors undertook immediate action to consummate the Plan, including, among other things: (a) the compromise or

[4] Appellant concedes that he received service of the Combined Hearing Notice, among other pleadings filed in the Chapter 11 Cases.

settlement of all Claims and Interests and controversies; (b) consummation of the Effective Date Transactions contemplated by Section 5.2 of the Plan; (c) the continued vesting of the assets of the Debtors' Estates in the Reorganized Debtors; (d) cancellation of certain existing agreements, obligations, instruments and Interests, including the publicly traded stock of the pre-Effective Date Debtors; (e) entry into the Exit Facility and satisfaction of DIP Obligations; (f) the issuance of Plan Sponsor Common Stock; (g) the issuance of the Contingent Payment Certificate; (h) entry into the Amended Certificate and Bylaws; (i) appointment of new boards of directors for each of the Reorganized Debtors; (j) payment of certain payments contemplated under the Plan; (k) redomiciling of all of the non-Delaware Debtors to Delaware; (l) assumption and rejection of certain contracts; (m) funding of the Administrative and Priority Claims Reserve; and (n) authorizing the board of directors of the Reorganized Debtor to adopt and implement the Management Incentive Plan (the "Consummation Steps").

21. On June 12, 2026, only after the Plan became Effective and the Consummation Steps had occurred, Appellant filed the Stay Motion.

ARGUMENT

A. The Stay Motion should be denied as moot, as the Effective Date and substantial consummation of the Plan have already occurred.

22. The Stay Motion should be denied at the outset because it is moot. Article III requires a live controversy at every stage of the proceedings, and a request for injunctive relief, such the stay requested here, becomes moot when subsequent events make it impossible for the Court to grant any effectual relief. See *Donovan ex rel. Donovan v. Punxsutawney Area Sch. Bd.*, 336 F.3d 211, 216–18 (3d Cir. 2003) ("This requirement that a case or controversy be 'actual [and] ongoing' extends throughout all stages of federal judicial proceedings, including appellate review. . .[i]f developments occur during the course of adjudication that . . . prevent a court from

being able to grant the requested relief, the case must be dismissed as moot"); *Blanciak v. Allegheny Ludlum Corp.*, 77 F.3d 690, 698–99 (3d Cir. 1996) ("Article III's 'case or controversy' requirement prevents federal courts from deciding cases that are moot").

23. The Bankruptcy Court for the Southern District of Texas's recent decision in *In re Container Store Group, Inc.* is instructive. There, the United States Trustee sought a stay ***after*** the plan had already become effective. The court held that the requested relief was moot. By that time, the confirmation order had been entered, the plan had become effective, and distributions had been made pursuant to the plan. The court characterized the issue as one of "real mootness" rather than equitable mootness, explaining that a bankruptcy matter is moot when the court lacks the ability to grant effective relief or otherwise alter the outcome. *In re Container Store Grp., Inc.*, No. 24-90627, 2025 WL 4226766, at *10 (Bankr. S.D. Tex. Apr. 7, 2025).

24. The facts here closely mirror those in *Container Store*. Appellant seeks a stay to prevent the Effective Date and consummation of the Plan, but the Effective Date occurred on June 10, 2026, and the Plan was substantially consummated before Appellant filed the Stay Motion. Like in *Container Store*, this Court cannot prohibit declaration of the Effective Date or prevent implementation of the Plan because those events have already occurred. A stay pending appeal is designed to preserve the status quo while appellate rights are adjudicated; it is not a mechanism to unwind completed transactions or rewrite a confirmed plan after it has gone effective. Accordingly, the Court should deny the Stay Motion as moot.

B. Even if the Stay Motion were not moot, Appellant fails to satisfy the four-factor test for obtaining a stay.

25. A stay pending appeal is an extraordinary remedy. Federal Rule of Bankruptcy Procedure 8007 puts the burden of demonstrating entitlement to such extraordinary relief on the party seeking the stay. *See J.D. v. Haddonfield Sch. Dist.*, 811 F. Supp. 3d 682, 687 (D.N.J. 2025)

("A stay pending appeal is an extraordinary remedy and the burden is on the movant to demonstrate that the circumstances warrant a stay") (internal quotation omitted).

26. In the Third Circuit, courts apply a four-factor balancing test to determine whether to grant a stay pending appeal: (1) whether the movant has made a strong showing of a likelihood of success on the merits; (2) whether the movant will suffer irreparable injury absent a stay; (3) whether issuance of the stay will substantially injure other parties interested in the proceedings; and (4) where the public interest lies. *See In re Revel AC, Inc.*, 802 F.3d 558, 568 (3d Cir. 2015).

27. The Third Circuit applies a "sliding scale" approach in which the first two factors—likelihood of success on the merits and irreparable harm—are the most critical. *Id.* at 570 ("Keeping in mind that the first two factors are the most critical, if the chance of success on the merits is only better than negligible and the possibility of irreparable injury is low, a stay movant's request fails.") (internal citations omitted).

i. Appellant has no likelihood of success on the merits

28. Appellant cannot establish a likelihood of success on the merits. As an initial matter, Appellant's right to appeal the Confirmation Order was waived by his failure to object to confirmation of the Plan in the first instance, despite having received notice of the Plan and the confirmation hearing. *See In re Szostek*, 886 F.2d 1405, 1409 (3d Cir. 1989) (holding that creditor's failure to timely object precluded post-confirmation challenge); *In re Ruti-Sweetwater, Inc.*, 836 F.2d 1263, 1266 (10th Cir. 1988) (non-objecting creditor waives right to challenge the plan: "[t]o hold otherwise would be to endorse the proposition that a creditor may sit idly by, not participate in any manner in the formulation and adoption of a plan in reorganization and thereafter, subsequent to the adoption of the plan, raise a challenge to the plan for the first time," an approach that "would effectively place all reorganization plans at risk in terms of reliance and finality.");

Acute, Inc. v. ECI Pharmaceuticals, LLC, 787 F. Supp. 3d 1342, 1357 (S.D. Fla. 2025) ("forfeiture" in the bankruptcy-appeal context occurs automatically whenever a party fails to timely assert their rights; parties that fail to object to the Confirmation Order—despite having ample opportunity to do so" had forfeited its arguments on appeal).

29. Moreover, the Appeal is subject to dismissal as equitably moot. The Third Circuit has long recognized that post-confirmation relief should be denied where a plan has been substantially consummated and effective relief cannot be granted without unraveling completed transactions and harming parties who relied on the finality of the confirmation order. See *In re Continental Airlines*, 91 F.3d 553, 558, 565 (3d Cir. 1996) (en banc); *In re Tribune Media Co.*, 799 F.3d 272, 278 (3d Cir. 2015).

30. The Bankruptcy Code defines "substantial consummation" to include, "(A) transfer of all or substantially all of the property proposed by the plan to be transferred; (B) assumption by the debtor or successor of the business or management of the property dealt with by the plan; and (C) commencement of distributions under the plan." 11 U.S.C. § 1101(2). The Third Circuit recently reiterated that these requirements are interpreted broadly and that ***commencement*** of distributions is sufficient. *In re Boy Scouts of Am.*, 137 F.4th 126, 161 (3d Cir. 2025) ("[t]he plain language of paragraph (C) does not require commencement of distributions to all or substantially all classes of creditors. It simply requires that distributions have begun.") (internal citations omitted).

31. Those requirements are plainly satisfied here. The Plan became effective on June 10, 2026, at which time the Reorganized Debtors effectuated the Consummation Steps. The Plan has therefore been substantially consummated. Granting Appellant's appeal would require disturbing consummated transactions, impairing the rights of third parties who relied upon

confirmation, disrupting distributions and financing arrangements, and undermining the finality of the Plan. These are precisely the circumstances in which the Third Circuit has held equitable mootness applies. *See In re Continental Airlines*, 91 F.3d at 565 ("The strong public policy in favor of maximizing debtors' estates and facilitating successful reorganization, reflected in the Code itself, clearly weighs in favor of encouraging such reliance. Indeed, the importance of allowing approved reorganizations to go forward in reliance on bankruptcy court confirmation orders may be the central animating force behind the equitable mootness doctrine.").

32. Nor can Appellant avoid mootness by seeking, among other things, a "Consumer Borrower Carve-Out," relief from the discharge and injunction provisions of the Plan, and modifications to the Confirmation Order itself. Such relief is not authorized under Bankruptcy Rule 8007 and would require wholesale modifications to the already-consummated Plan.

33. Even if the appeal were not equitably moot, each of Appellant's substantive arguments fail on the merits. His principal argument—that notice served by first-class mail to his correct address was constitutionally inadequate because it allegedly arrived after the objection deadline—fails as a matter of law. Due process requires only notice "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action." *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950); *see also Wright v. Owens Corning*, 679 F.3d 101, 108 (3d Cir. 2012) (adopting the standard that due process requires "reasonably calculated, under the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections"); *Chemetron Corp. v. Jones*, 72 F.3d 341, 348 (3d Cir. 1995) (same). Service by first-class mail in accordance with the Procedures Order satisfies this standard and is expressly authorized by the Bankruptcy Rules. Fed. R. Bankr. P. 2002.

34. Appellant does not dispute that the Debtors used his correct address. To the contrary, Appellant admits that the notices were mailed to and ultimately received at that address. Accordingly, the Debtors' service was presumptively effective. *In re Lienhard*, 498 B.R. 443, 451 (Bankr. M.D. Pa. 2013) ("Under [the mailbox] rule, proof of mailing raises a rebuttable presumption that the mailed item was received . . . Once established, the party challenging presumption of receipt must present credible evidence demonstrating that the mailing was not in fact received.") (internal citations omitted); *see also In re Grand Union Co.*, 204 B.R. 864, 870 (Bankr. D. Del. 1997) ("[I]t is a well established rule that the bar date notice is presumed to have been received by the creditor when, as here, the debtor offers proof that it was timely and properly mailed by the debtor"). Even accepting Appellant's assertion that certain notices arrived after the objection deadline, due process requires reasonable ***efforts*** at notification, not guaranteed delivery by any particular date. *See In re Freedom Commc'ns Holdings, Inc.*, 472 B.R. 257, 262 (Bankr. D. Del. 2012) (holding notice had been sufficient where a creditor claimed not to have received certain bankruptcy notices because of a typo in her address).

35. Finally, the quick timeline of these prepackaged Chapter 11 Cases does not alter this analysis. The confirmation timeline complied with the Bankruptcy Rules, the Procedures Order, and all applicable notice requirements. Appellant's dissatisfaction with the speed or result of the process does not establish a due process violation.

36. Appellant's remaining substantive arguments are also meritless as they should have been raised before confirmation, unsupported by the record, or premised on a misunderstanding of the Plan and the Bankruptcy Code.

37. First, Appellant's attack on the Plan's releases fails because it rests on a false premise: the Plan does not contain non-consensual third-party releases, and his proposed

"Consumer Borrower Carve-Out" would not preserve any existing right. It would only serve to create a new exception to the Plan's discharge and release provisions after confirmation and after the Effective Date.

38. Second, Appellant's classification objection under section 1122 of the Bankruptcy Code is meritless. Appellant identifies no class that improperly combines dissimilar claims, no similarly situated claimholder treated differently, and no record evidence that would undermine this Court's confirmation findings. In any event, any classification objection was required to be raised before confirmation, not for the first time in a post-Effective Date stay motion.

39. Third, Appellant's request for appointment of an examiner is procedurally unavailable. Section 1104(c) permits appointment of an examiner only "at any time before confirmation of a plan," 11 U.S.C. § 1104(c), and confirmation occurred on May 29, 2026. The Plan has now gone effective and been substantially consummated, making the requested appointment not only untimely but impossible to square with the posture of these cases.

40. Fourth, Appellant's good-faith objection under section 1129(a)(3) is unsupported by a shred of evidence in the Stay Motion or the record. The Confirmation Order determined that the Plan satisfied the requirements for confirmation, including good faith, and Appellant offers only conclusory allegations in seeking to upset that finding.

41. Fifth, Appellant's repeated apparent characterization of the Plan Sponsor as an "insider" is legally and factually incorrect. The Plan Sponsor is an independent third-party investor, and Appellant identifies no facts showing that Plan Sponsor falls within the statutory definition of an insider under section 101(31) of the Bankruptcy Code or otherwise exercised the type of control necessary to support insider status—and indeed it did not.

42. In short, Appellant's substantive objections do not demonstrate any likelihood of success on appeal. They confirm only that Appellant is attempting to relitigate confirmation issues he did not timely preserve.

ii. Appellant would not suffer irreparable harm absent a stay.

43. Appellant was provided notice in compliance with the Procedures Order but did not act. A party who sat on his rights cannot claim irreparable harm from the consequences of his own inaction. *Caplan v. Fellheimer Eichen Braverman & Kaskey*, 68 F.3d 828, 839 (3d Cir. 1995) ("If the harm complained of is self-inflicted, it does not qualify as irreparable").

44. To the extent Appellant asserts monetary harm, which is unclear, such claims are compensable through the Plan's claims reconciliation and distribution process and do not constitute irreparable harm. *See In re W.R. Grace & Co.*, 475 B.R. 34, 207–08 (D. Del. 2012), *aff'd sub nom. In re W.R. Grace & Co.*, 729 F.3d 332 (3d Cir. 2013), *and aff'd,* 532 F. App'x 264 (3d Cir. 2013), *and aff'd sub nom. In re W.R. Grace & Co.*, 729 F.3d 332 (3d Cir. 2013), *and aff'd,* 729 F.3d 311 (3d Cir. 2013) (finding that monetary damages alone do not constitute irreparable harm, rather, "[i]rreparable harm . . . is an injury that 'cannot be redressed by a legal or equitable remedy") (internal quotation omitted).

45. Accordingly, this factor weighs heavily in favor of denying the Stay Motion.

iii. Granting the Stay Motion will substantially injure other parties.

46. Appellant asserts that a stay would cause only "minimal" harm to others, but that characterization ignores both the nature of the relief he seeks and the current posture of these cases. Indeed, the resulting prejudice would be substantial. Since the Effective Date, the Reorganized Debtors have emerged from chapter 11, new boards have been appointed, equity interests have been cancelled, the Debtors have implemented the Exit Loan Facility and assumed the DIP

obligations, reserves for distributions have been funded, and all of the Consummation Steps have been undertaken in reliance on the Confirmation Order. A stay at this juncture would strand millions of dollars already deployed, freeze distributions to innocent creditors, and leave the business of the Reorganized Debtors in jeopardy.

47. The risk of harm is especially acute because Appellant offers no meaningful protection against the damage his requested stay would cause. He seeks to jeopardize a consummated reorganization without posting a bond, offering alternative security, or identifying any narrower relief that would preserve his purported rights without destabilizing the Plan. The third factor therefore weighs decisively against a stay.

iv. Public interest weighs against a stay.

48. Chapter 11 depends on finality and the ability of a reorganized debtor to move forward after confirmation with a fresh start. Once a plan is confirmed, it binds the debtor, creditors, equity holders, and other stakeholders—regardless of whether they accepted the plan or are impaired by it. *See* 11 U.S.C. § 1141(a). Those principles protect the integrity of the confirmation process, permit reorganized debtors to obtain the fresh start contemplated by chapter 11, and allow creditors and stakeholders to rely on the bargain embodied in a confirmed plan.

49. Granting a stay here would undermine each of those principles. Appellant received notice, did not object, did not appear at confirmation, and waited until after the Effective Date to seek relief. Allowing a single non-objecting creditor to upend an uncontested and substantially consummated reorganization would reward strategic inaction and invite other parties to circumvent the confirmation process in the hope of obtaining better treatment after the fact.

50. Granting the stay would also diminish the rehabilitative purpose of chapter 11. The Reorganized Debtors have implemented the Plan and begun operating under a new capital structure

and governance framework. A stay would inject uncertainty into that process, threaten creditor distributions, impair stakeholder reliance, and jeopardize the very fresh start that confirmation was designed to provide. *See In re Continental Airlines*, 91 F.3d 553, 565 (3d Cir. 1996) (discussing public policy concerns). This factor, too, therefore favors denial of the Stay Motion.

C. The Stay Motion should be denied for failure to post a supersedeas bond.

51. A supersedeas bond serves the essential purpose of protecting the appellee and third parties from the risk that a stay may ultimately prove unwarranted and cause damage that cannot be recovered. *See In re Tribune Media Co.*, 799 F.3d 272, 281 (3d Cir. 2015) ("The purpose of requiring such a bond in a bankruptcy court is to indemnify the party prevailing in the original action against loss caused by an unsuccessful" appeal) (internal citations omitted).

52. A bond is particularly important here where Appellant seeks to jeopardize the Reorganized Debtors' restructuring and, in turn, their businesses as a whole. The Plan Sponsor alone has committed more than $34 million to this restructuring alone—$24 million in prepetition debt, plus a $10 million Exit Facility, of which $8.5 million has already been funded. Yet Appellant offers no security whatsoever to protect against the substantial harm a stay would cause.

53. Appellant provides no evidence of inability to post a bond, offers no alternative security, and makes no showing of the kind of exceptional circumstances that might justify waiver. *See In re Rundlett*, 142 B.R. 655, 658 (Bankr. S.D.N.Y. 1992), *aff'd,* 153 B.R. 126 (S.D.N.Y. 1993) ("An inability to fund a bond is not, of itself, a justifiable ground for dispensing with a bond."). Appellant requests waiver of any supersedeas bond under the Bankruptcy Rule 8007 solely on the basis that he is proceeding *pro se*. *Pro se* status does not automatically excuse the bond requirement. *See In re Flynn*, 582 B.R. 25, 31 (B.A.P. 1st Cir. 2018) (holding that the debtor's *pro se* status does not excuse her failure to comply with the Bankruptcy Code).

54. The absence of any bond is an independent basis for denial. *In re Cyber Litig. Inc.*, No. 20-12702, 2026 WL 1376140, at *2 (Bankr. D. Del. May 15, 2026) ("Since [the party seeking the stay] has failed to post a bond or other security and has not objectively demonstrated any exceptional circumstances making appropriate the waiver of the usual bond requirement, the Court will deny [the] motion for a stay.") The failure to post any bond or offer any alternative security, standing alone, warrants denial of the Stay Motion.

CONCLUSION

WHEREFORE, the Reorganized Debtors respectfully request that this Court enter an order denying the Stay Motion and granting such other relief as this Court deems just and proper.

Dated: June 23, 2026

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