Docket #0254 Date Filed: 10/14/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
IMPAC MORTGAGE HOLDINGS, INC., et al.,	Case No. 26-10593 (CTG) (Jointly Administered)
Reorganized Debtors.	Hearing Date: October 19, 2026 at 3:00 p.m. (ET)
	Related Docket Nos.: 250, 252

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DISTRICT OF DELAWARE
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REPLY OF WASEEM NAIK IN FURTHER SUPPORT OF MOTION FOR INTERPRETATION AND CLARIFICATION OF THE CONFIRMATION ORDER AND, ONLY TO THE EXTENT NECESSARY, AN INDICATIVE RULING UNDER FED. R. BANKR. P. 8008

Waseem Naik ("Movant"), appearing pro se, respectfully submits this Reply to the Objection of the Reorganized Debtors [D.I. 252] (the "Objection") in further support of his Motion for Interpretation and Clarification and, Only to the Extent Necessary, an Indicative Ruling Under Fed. R. Bankr. P. 8008 [D.I. 250] (the "Motion"). In support thereof, Movant respectfully states as follows:

PRELIMINARY STATEMENT

1. The Reorganized Debtors' Objection characterizes the Motion as seeking an advisory opinion on hypothetical facts. The Motion instead requests a narrow interpretation of this Court's Confirmation Order (D.I. 165): whether Paragraphs 46 and 47—and specifically Paragraph 47(e)'s pre-confirmation-motion proviso for setoff and subrogation—themselves bar an otherwise valid defense, including recoupment used solely defensively, to a claim or request for relief asserted against Movant by, in the name of, or on behalf of a Debtor, Reorganized Debtor, or Released Party.

2. Movant does not ask this Court to determine whether recoupment or any other defense succeeds under New Jersey law, decide mortgage ownership, determine present servicing or litigation authority, or award affirmative relief. Those questions would remain for a court with

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jurisdiction over the particular nonbankruptcy dispute. The requested ruling concerns only the meaning and effect of this Court's own Confirmation Order.

3. If the Court determines that the pendency of the appeal from the Confirmation Order (Naik v. Impac Mortgage Holdings, Inc., C.A. No. 26-00692-MN) limits its authority to enter a binding clarification order, Movant alternatively requests an indicative ruling pursuant to Federal Rule of Bankruptcy Procedure 8008(a)(3) or (a)(4).

ARGUMENT

I. The Motion Presents a Concrete Question Concerning the Legal Scope of This Court's Confirmation Order

4. The Reorganized Debtors contend that no justiciable controversy exists (Obj. ¶¶ 28–34). The Motion, however, presents a focused dispute over the present legal effect of this Court's Confirmation Order. Movant contends that Paragraph 47 does not itself prohibit purely defensive recoupment; the Reorganized Debtors oppose entry of that interpretation and ask the Court to deny the requested relief.

5. Bankruptcy courts possess jurisdiction to interpret and enforce their own prior orders and injunctions. Travelers Indem. Co. v. Bailey, 557 U.S. 137, 151 (2009); In re Essar Steel Minnesota, LLC, 47 F.4th 193, 200–06 (3d Cir. 2022). The relevant ripeness considerations—adversity of interests, conclusiveness, and practical utility—support adjudication of the focused interpretive dispute presented here. Step-Saver Data Sys., Inc. v. Wyse Tech., 912 F.2d 643, 647 (3d Cir. 1990).

6. First, Movant seeks a ruling that he may assert an otherwise valid defensive recoupment position without violating Paragraph 47, while the Reorganized Debtors oppose that relief. Second, a ruling would conclusively establish what Paragraph 47 itself does and does not prohibit, without deciding whether any defense is otherwise available. Third, New Jersey Appellate Division Docket No. A-002369-25 remains pending under the caption Impac

10. On that reasoning, recoupment used solely to determine the amount, if any, recoverable on a claim asserted against Movant should not be treated as continuing an action against a protected party under Paragraph 47(b) or as seeking recourse against estate or Reorganized Debtor property. This requested interpretation would not protect an affirmative claim mislabeled as recoupment and would not dispense with the same-transaction requirement under applicable nonbankruptcy law.

III. Paragraph 47(e) Textually Restricts Only Setoff and Subrogation, Not Recoupment

11. Paragraph 47(e) enjoins the assertion of setoff or subrogation against specified obligations and property except to the extent that a motion to effectuate the setoff or subrogation was timely filed before the Confirmation Date. It does not state that the exception applies to recoupment, and it does not use the term "recoupment."

12. The text of the Plan and Confirmation Order demonstrates that the drafters were conscious of the distinct doctrines and explicitly referenced recoupment when intended: (a) Paragraph 38 of the Confirmation Order expressly preserves "setoff, subrogation, and recoupment" for the Headquarters Landlord; (b) Paragraph 49 of the Confirmation Order expressly preserves "setoff and recoupment" for the United States; and (c) Plan Section 8.10 separately and expressly governs "setoff and recoupment" exercised by the Reorganized Debtors against claim distributions.

13. The omission of recoupment from Paragraph 47(e), coupled with its express inclusion elsewhere, supports the narrow conclusion that Paragraph 47(e)'s pre-confirmation-motion condition does not textually extend to defensive recoupment. That conclusion does not establish that recoupment exists on any particular facts; it leaves the existence and merits of any defense to applicable nonbankruptcy law.

IV. The Pending State Appeal Supplies Practical Context Without Requiring an Agency Determination

14. The Reorganized Debtors state that they have no involvement in the New Jersey proceedings and emphasize that the 2015 trial-court action was vacated and dismissed without prejudice on May 22, 2026 (Obj. ¶¶ 8–15, 38). Movant does not ask this Court to reject those assertions or determine present agency authority.

15. The narrower point is that New Jersey Appellate Division Docket No. A-002369-25 remains pending under the caption Impac Mortgage Corp. v. Naik. The Motion cites produced agreements and correspondence to explain the historical litigation relationship while expressly acknowledging that the present source and scope of LoanCare's and KML Law Group's authority remain unresolved. See Motion ¶¶ 4, 7–12; Naik Decl. ¶¶ 6–8 & Exs. 3–6. The Court need not resolve that issue to interpret the legal effect of Paragraph 47.

16. The requested order would neither determine that any person presently acts for a Debtor nor impose any obligation on the Reorganized Debtors concerning the New Jersey docket. It would state only that Paragraphs 46 and 47 do not themselves eliminate a defense, including recoupment used solely defensively, that otherwise exists under applicable nonbankruptcy law.

V. Rule 8008 Provides the Alternative Procedure During the Pending Appeal

17. Federal Rule of Bankruptcy Procedure 8008 addresses a motion for relief that the bankruptcy court may lack authority to grant because an appeal is pending. It authorizes the Court to defer consideration, deny the motion, state that it would grant the motion upon remand, or state that the motion raises a substantial issue.

18. Movant's appeal from the Confirmation Order remains pending in C.A. No. 26-00692-MN. To the extent that appeal limits this Court's authority to enter a binding clarification, Rule 8008 provides the appropriate alternative procedure.

19. Under Rule 8008(a)(3), the Court may state that it would grant the narrow clarification if the District Court remands for that purpose; under Rule 8008(a)(4), it may state that the Motion raises a substantial issue. Either statement would preserve the District Court's appellate authority while identifying this Court's view of the intended scope of its own Confirmation Order.

CONCLUSION

WHEREFORE, Movant Waseem Naik respectfully requests that this Court:

(1) Grant the Motion and enter an order clarifying that Paragraphs 46 and 47 of the Confirmation Order, including Paragraph 47(e), do not themselves bar Movant from asserting a defense, including recoupment used solely as a defense, to reduce or defeat a claim or request for relief asserted against him by, in the name of, or on behalf of a Debtor, Reorganized Debtor, or Released Party, if that defense independently exists under applicable nonbankruptcy law;

(2) In the alternative, enter an indicative ruling pursuant to Fed. R. Bankr. P. 8008(a)(3) or (a)(4) stating that the Court would grant the clarification upon remand or that the Motion raises a substantial issue; and

(3) Grant such other and further relief as the Court deems just and proper.

Dated: October 14, 2026
Princeton, New Jersey

Respectfully submitted,

/s/ Waseem Naik
Waseem Naik
Appellant and Claimant, Pro Se
22 Hanover Court
Princeton, New Jersey 08540
Telephone: (609) 379-2677
Email: waseemnaik@gmail.com

Office of the United States Trustee
J. Caleb Boggs Federal Building
844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801
Email: amy.tryon@btlaw.com

Dated: October 14, 2026
Princeton, New Jersey

/s/ Waseem Naik
Waseem Naik
Appellant and Claimant, Pro Se
22 Hanover Court
Princeton, New Jersey 08540
Telephone: (609) 379-2677
Email: waseemnaik@gmail.com