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

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| In re: | Chapter 11 |
| Prodigy Investment Holdings, Inc.,[1] | Case No. 23-11120 (BLS) |
| Reorganized Debtor. | Jointly Administered |

**REPLY IN SUPPORT OF THE DISTRIBUTION TRUSTEE'S NINTH OMNIBUS (SUBSTANTIVE) OBJECTION TO CLAIM NO. 1113 FILED BY SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**

Steven Balasiano, in his capacity as the distribution trustee (the "Distribution Trustee" or "Trustee") of the PTRA Distribution Trust (the "Distribution Trust" or "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 reply (the "Reply") in further support of *The Distribution Trustee's Ninth Omnibus (Substantive) Objection to Certain (I) Misclassified and Overstated Claims, (II) Overstated Claims, and (III) Unliquidated Claims* [D.I. 1608] (the "Objection"), as to Claim No. 1113 filed by Santa Clara Valley Transportation Authority ("SCVTA"), and in response to *Santa Clara Valley Transportation Authority's Response* [D.I. 1611] (the "Response"). In support of this Reply, the Distribution Trustee submits the *Declaration of Farzan Sabzevari in Support of the Distribution Trustee's Reply Regarding Claim No. 1113* (the "Sabzevari Declaration"), attached hereto as **Exhibit 1**, and

[1] The Reorganized Debtor in this Chapter 11 Case (defined herein), along with the last four digits of the Reorganized Debtor's federal tax identification number, is: Prodigy Investment 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 (defined herein) pertain to the time before the entry of the Case Closing Order (as defined in the Objection), 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.



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respectfully states as follows:

## PRELIMINARY STATEMENT[3]

1. SCVTA filed Claim No. 1113 on November 13, 2023 in the amount of $880,786.98 (the "Filed Claim Amount"). While the claim contained no reservations of rights in respect of any amendments, it did note that the amount of the claim was subject to "investigation." Out of an abundance of caution, the Trust included Claim No. 1113 in the Objection in order to liquidate it in the Filed Claim Amount. In response to the Objection, SCVTA asserted for the first time—more than two years after the Bar Date and more than twenty-one months after the Effective Date—a variety of entirely new claims that it seeks to have allowed in an amount equal to $8,506,160.24 (*i.e.*, nearly 10 times the Filed Claim Amount). As of the date of this filing, SCVTA has not sought authority to amend its claim or filed any amended claim. *See* Sabzevari Decl. ¶¶ 5–6.

2. Since the Plan went effective on March 13, 2024, the Distribution Trustee has been reconciling nearly 1,800 proofs of claim, establishing reserves, and systematically resolving disputed claims so the estate can make final distributions. Sabzevari Decl. ¶¶ 7–10. That process depends on an accurate understanding of the total universe of claims and is impossible when SCVTA has decided to inflate its claim nearly tenfold in response to the Objection. *Id.* ¶ 11.

3. SCVTA knew the scope of its potential claim before the Bar Date. In October 2023, it filed a cure objection identifying both Proterra contracts, all ten buses, and damages of at least $892,358.23. Yet when SCVTA filed Claim No. 1113 less than a month later, it asserted only $880,786.98 based only on Contract No. 2 and five buses. Despite multiple opportunities over the following two years—including after receiving the Fire Cause Report in May 2024—SCVTA

[3] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Objection.

never sought leave to amend its claim.

4. Only after the Trust filed the Objection in December 2025, SCVTA—for the first time—asserted that Claim No. 1113 was supposedly worth approximately $8.5 million and included an entirely separate contract (*i.e.* Contract No. 1); introduced allegations about Bus No. 9502 (which did not catch fire); and advanced a new total-loss theory that Claim No. 1113 never disclosed.

5. To be clear, the Trust does not ask the Court to resolve the merits of SCVTA's warranty, defect, causation, or damages theories. The threshold question before the Court is much narrower and more dispositive: whether SCVTA may effectively amend Claim No. 1113 to increase its claim amount to $8,506,160.24—and thus require the Trust to reserve on a massively inflated claim asserted in response to a claim objection for the first time, years after the bar date—without ever filing an amended proof of claim or a motion for leave to amend. It may not. If SCVTA wishes to pursue that demand, it must seek leave to amend and satisfy the applicable post-bar date and post-confirmation standards—something it has never done. Until then, the Objection should be sustained as to any amount, theory, contract, bus, or damages component not properly asserted in Claim No. 1113.

6. For the reasons set forth below, the Distribution Trust respectfully requests that the Court reject SCVTA's attempt to increase its claim by nearly 1,000% asserted in its Response. The Court should fix Claim No. 1113, as requested in the Objection, at the amount SCVTA actually asserted—$880,786.98—without prejudice to the Distribution Trustee's rights, further objections, and defenses.

## RELEVANT BACKGROUND[4]

### I. The Chapter 11 Cases

7. On August 7, 2023 (the "Petition Date"), Proterra Inc. ("Proterra") and its affiliate, Proterra Operating Company, Inc. (together with Proterra, the "Debtors") filed voluntary petitions for relief in the United States Bankruptcy Court for the District of Delaware (the "Court"), commencing the Chapter 11 Cases.

8. On September 5, 2023, the Court entered the Bar Date Order [D.I. 187], establishing November 13, 2023 as the General Bar Date and February 3, 2024 as the Governmental Bar Date.

9. On December 17, 2023, the Debtors filed the *Disclosure Statement for Joint Chapter 11 Plan of Reorganization for Proterra Inc and its Debtor Affiliate* [D.I. 738], subsequently amended by the *Third Amended Disclosure Statement* [D.I. 944] filed on January 25, 2024 (the "Disclosure Statement"). On January 25, 2024, the Court entered an order approving the Disclosure Statement [D.I. 951].

10. On March 6, 2024, the Court entered the Confirmation Order [D.I. 1180] confirming the Plan [D.I. 1154], and on March 13, 2024, the Plan went effective (the "Effective Date") [D.I. 1208].

11. Pursuant to the Plan, as of the Effective Date, the Distribution Trust was established to, among other things, provide for distributions to the Distribution Trust's Beneficiaries. *See* Plan, Art. IV. To that end, the Plan authorizes the Distribution Trustee to pursue objections to, and estimation and settlements of, all Disputed Claims. *See Id.* at Art. IV.C.7.

12. The Plan also provides that late-filed claims "shall be deemed expunged without

[4] This Reply adopts and further supplements the background of the Chapter 11 Cases as set forth in the Objection.

further action by the Debtors." *Id.* at Art. I.A.6.

13. In addition, Article V.A of the Plan provides that any executory contracts, including both of the contracts at issue here, "shall be deemed rejected as of the Effective Date" except as otherwise provided in the Plan. *Id.* Article V.C further provides that any rejection damages claims not timely filed "will be forever barred from assertion against any of the Debtors, the Estates, the property of the Debtors or the Distribution Trust, and the Distribution Trustee. *Id.* at Art. V.C. SCVTA filed a claim in respect of Contract No. 2, but it asserted no claim in respect of Contract No. 1. SCVTA seeks to remedy that oversight by its response to the Objection.

## II. SCVTA'S CONTRACTS AND CLAIM NO. 1113

14. Prior to the Petition Date, SCVTA entered into two separate contracts with Proterra for the purchase of electric buses:

a. Contract No. P16265 ("Contract No. 1"), effective September 20, 2017, for five buses (*i.e.*, bus numbers 7501–7505). *See* Response, Ex. 1.

b. Contract No. P16130 ("Contract No. 2"), effective October 18, 2018, for five additional buses (*i.e.*, bus numbers 9501–9505). *See* Response, Ex. 2.

15. On September 25, 2023, the Debtors filed a Cure Notice [D.I. 279] identifying both contracts with a proposed cure amount of $11,571.26. On October 16, 2023, SCVTA objected to the Cure Notice [D.I. 415], referencing both contracts, ten buses, the Bus No. 9505 fire, and damages of at least $880,786.98—totaling, with the scheduled trade amount, a cure amount of $892,358.23. [D.I. 415 ¶ 9.]

16. However, when SCVTA filed its proof of claim on November 13, 2023, less than a month later, it filed a claim only in respect of Contract No. 2. Its claim did not mention Contract No. 1, ten buses, or damages based on the assertion that all ten Proterra buses are a total loss. Claim No. 1113 did not contain any sort of reservation of rights, though it did reference that the amount of the claim was "still under investigation."

## III. THE FIRE CAUSE REPORT AND SCVTA'S PROLONGED INACTION

17. On September 1, 2023, months before filing Claim No. 1113, Bus No. 9505—one of the Contract No. 2 buses—caught fire at an SCVTA maintenance facility. Response ¶ 6. An evidence examination was conducted on April 2, 2024, and the Fire Cause Analysis report (the "Fire Cause Report" or the "Report") was issued on May 28, 2024, concluding that the fire likely originated from a thermal event in the bus's defroster unit. Response ¶¶ 7, 10. The Report also documented a separate thermal event on Bus No. 9502 that "did not result in a fire" but caused melting of the defroster flexible ducting. Response ¶ 8. SCVTA did not mention the fire in its claim, and certainly by May 2024 had sufficient information about the fire to seek to amend its claim. Yet it took no action to do so.

18. On November 12, 2024, the Distribution Trust filed its *Second Notice of Claims Previously Satisfied* [D.I. 1462], which identified claims—including Claim No. 1113—that the Trust contended had been satisfied through assumption and assignment of the underlying contracts.[5] SCVTA filed a response [D.I. 1475] referencing both contracts and all ten buses, but it still asserted damages of only "no less than $892,358.23"—not the $8.5 million it now seeks.[6] Notably, SCVTA still did not file an amended proof of claim or seek leave to amend, even though more than six months had passed since it received the Fire Cause Report.

19. On December 12, 2025—more than eighteen months after SCVTA received the Fire Cause Report—the Distribution Trust filed its Ninth Omnibus Claims Objection, seeking to fix Claim No. 1113 at the $880,786.98 amount SCVTA had asserted, subject to further objections, in order to ensure the universe of claims was definitive as the Trust sets reserves and prepares to

[5] At this time, the Trust inadvertently believed these contracts had been assumed, thus satisfying Claim No. 1113.

[6] On May 2, 2025, the Distribution Trustee filed the *Second Amended Notice of Claims Previously Satisfied* [D.I. 1560] which removed Claim No. 1113.

make final distributions.

## IV. SCVTA'S RESPONSE AND PURPORTED CLAIM AMENDMENT

20. On January 2, 2026, more than two years after the bar date, SCVTA filed the Response [D.I. 1611], purporting to amend its claim on the grounds that it "has concluded that all of the buses it purchased from Proterra are too dangerous to operate and are a total loss." Response ¶ 3. The Response asserts total damages of $8,506,160.24—nearly ten times the $880,786.98 amount originally filed in Claim No. 1113—calculated as the sum of the following:

> a. $3,653,934.90 for Contract No. 1—the total contract price paid by SCVTA for the five 7500-series buses purchased under that contract, which the Response now includes on the theory that those buses are likewise a total loss;
>
> b. $4,840,654.08 for Contract No. 2—the total contract price SCVTA asserts it paid for the five 9500-series buses under that contract, which the Response contends are also a total loss based on the September 1, 2023 fire involving Bus No. 9505 and related thermal events; and
>
> c. $11,571.26 for a scheduled trade claim—the amount that the Debtors scheduled as unsecured and undisputed in their bankruptcy schedules, which the Response adds to its total demand.

Response ¶ 10.

21. The Response asserts two legal theories in support of its claim. First, SCVTA alleges that Proterra breached its obligations under Contract No. 2 and (for the first time) Contract No. 1 by delivering buses that "were plagued with problems that resulted in them frequently being out of service and requiring excessive repairs and maintenance." Response ¶ 5. Second, SCVTA asserts a negligence theory, alleging that "Proterra owed a duty of care to VTA in the manufacture and maintenance of the buses" and "breached that duty of care by providing buses that were unreliable, routinely out of service, and which posed an extreme risk to VTA personnel and the public due to the risk of fire." Response ¶ 14.

22. The Response advances a theory that "all 10 Proterra buses" (not just the five busses

subject to Claim No. 1113) "are therefore a total loss" based on the Fire Cause Report's findings. Response ¶ 9. SCVTA contends that at the time the Claim No. 1113 was filed, it "had not yet completed its investigation of the Bus Fire." Response ¶ 11.

23. The Response asserts that SCVTA "reserv[ed] the right to amend" its claim. Response ¶ 2. However, it does no such thing.

24. After SCVTA filed its Response, the Distribution Trust removed Claim No. 1113 from the proposed order to allow the parties to work toward resolution. [D.I. 1628.] The Distribution Trust met and conferred with SCVTA's counsel, but these discussions did not resolve the dispute.

## ARGUMENT

25. A timely filed proof of claim is *prima facie* evidence of its validity and amount. 11 U.S.C. § 502(a); Fed. R. Bankr. P. 3001(f). When an objecting party presents sufficient evidence to overcome that presumption, the burden shifts to the claimant. *See In re Allegheny Int'l, Inc.*, 954 F.2d 167, 173–74 (3d Cir. 1992). The Distribution Trust has met its initial burden by seeking to fix Claim No. 1113 at the $880,786.98 amount that SCVTA itself asserted. Rather than defend that amount, SCVTA's Response seeks to inflate its claim nearly tenfold. That expansion requires a valid amendment, yet no such amendment has been made.

### I. SCVTA NEVER SOUGHT OR OBTAINED LEAVE TO FILE AN AMENDMENT TO CLAIM NO. 1113

26. Once the claims bar date has passed, a party seeking to amend a proof of claim must obtain leave of Court to do so. *In re G-I Holdings, Inc.*, 514 B.R. 720, 754 (Bankr. D.N.J. 2014), *aff'd*, 654 F. App'x 571 (3d Cir. 2016). As this Court has explained, once "the bar date passes, a proof of claim typically cannot be amended to seek recovery of new or different amounts that were not fairly encompassed in the original (timely-filed) proof of claim." *In re Maxus Energy Corp.*,

No. 16-11501 (CTG), 2023 WL 5543612, at *1 (Bankr. D. Del. Aug. 28, 2023). "Changing a proof of claim to add amounts that were outside the scope of the original proof of claim is treated as the filing of a new claim. And to do that, one would be required to meet Bankruptcy Rule 9006(b)'s 'excusable neglect' standard for a late-filed claim set out by the Supreme Court in *Pioneer*." *Id.*

27. SCVTA has not satisfied—or even attempted to satisfy—these requirements. Claim No. 1113 asserted an unsecured claim of $880,786.98. The Response, filed more than two years later, seeks $8,506,160.24. Yet SCVTA did not file an amended proof of claim with the Claims Agent, did not seek leave of Court to amend, and did not obtain any order permitting amendment. Sabzevari Decl. ¶¶ 5–6. The mere act of filing a response brief does not accomplish what the Bankruptcy Code and Rules require for a valid amendment. The Response therefore did not—and could not—amend Claim No. 1113. *See In re Bryant*, 397 B.R. 903, 904 (Bankr. N.D. Ind. 2008) (holding that attempting to amend a claim after an objection has been filed "only confuses the issue" and is unnecessary because the claimant can either let a meritorious objection be sustained or, if it believes the objection lacks merit, "amending its claim will not eliminate the problem—the original objection would still remain").

28. The Response states that SCVTA "reserv[ed] the right to amend" and is now "filing herewith an amended Proof of Claim." Response ¶¶ 2–3. It did not. The proof of claim states only that the "total amount is still under investigation." That language is merely a qualifier on the amount of the claim as filed, not an open-ended hall pass to assert new and different claims untethered to the Contract No. 2-related claims asserted in Claim No. 1113. SCVTA's Response conflates the two, but "under investigation" does not provide fair notice of an intention to assert an entirely different contract, different buses, or a different damages theory.

29. The Response also asserts that "[t]he basis for the [SC]VTA Claim was a Proterra

bus destroyed in a fire." Response ¶ 2. But Claim No. 1113 was not limited to the Bus No. 9505 fire—it was limited to Contract No. 2 and five buses, with no mention of Contract No. 1 (which was rejected and required a specific rejection damages claim to be filed in respect thereof pursuant to Article V.C of the Plan), the 7500-series buses, or a "total loss" theory for all ten buses.

30. SCVTA did not seek or obtain leave of Court to amend—a prerequisite for any post-bar-date amendment. *See* Sabzevari Decl. ¶ 6; *see also In re G-I Holdings, Inc.*, 514 B.R. at 754. This threshold procedural failure is dispositive. If SCVTA wishes to pursue an expanded claim, it must file a motion for leave to amend and satisfy the applicable post-bar-date and post-confirmation standards. Until it does so, the Court need not—and should not—consider the merits of SCVTA's claim expansion.

## II. EVEN IF THE RESPONSE WERE TREATED AS A REQUEST FOR LEAVE TO AMEND, THERE IS NO RELATION BACK

31. Even if the Response were treated as a request for leave to amend—which it should not be—the $8,506,160.24 demand would fail the relation-back analysis. Amendments may be allowed when "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." *In re Ben Franklin Hotel Assocs.*, 186 F.3d 301, 309 (3d Cir. 1999). But "[i]f the initial proof does not give fair notice of the conduct, transaction or occurrence that forms the basis of the claim asserted in the amendment then the amendment asserts new claims and will not be allowed." *Id.* at 309–10. A general thematic link to the same subject matter is not enough—the original claim must fairly encompass the specific amounts and theories sought in the amendment. *See In re Exide Techs.*, 601 B.R. 271, 294 (Bankr. D. Del. 2019).

32. The Response fails this test by every measure. Claim No. 1113 asserted $880,786.98 for "[d]amages arising from sale of defective buses," supported exclusively by

Contract No. 2 and documents related to Contract No. 2, including a five-bus project schedule for the 9500-series buses. Claim No. 1113 at 2. The Response seeks $8,506,160.24—nearly ten times more—based on: (i) Contract No. 1 (never mentioned in Claim No. 1113); (ii) allegations concerning Bus No. 9502 (a bus not involved in the fire); (iii) new breach-of-contract and negligence theories; and (iv) a "total loss" theory that all ten buses (not just the five mentioned in Claim No. 1113) are worthless. Response ¶¶ 3–5, 8–10. None of these elements appeared in the Claim No. 1113.

33. *Exide* is instructive. There, a claimant filed a $38.9 million proof of claim based on five environmental notices of violation. *See In re Exide, Techs.*, 601 B.R. at 275–78. It later sought to amend to assert additional causes of action totaling more than $80 million. *Id.* The court denied relation back, holding that the later filing added "new factual predicates" and a materially larger amount that the original claim did not fairly encompass. *Id.* at 291–94. Permitting such expansion, the court warned, would "eviscerate the economic basis on which the Plan was negotiated and prejudice the Debtor's estate and its creditors." *Id.* at 293.

34. The same analysis applies here. A general thematic link to "defective buses" does not fairly encompass a different contract, different buses, new legal theories, and nearly ten times the originally asserted damages. This is not clarification of the amount of a filed claim—it is an attempt to assert a fundamentally new claim. *See In re FTX Trading Ltd.*, 2024 WL 5177553, at *7 (Bankr. D. Del. Dec. 18, 2024) (rejecting creditor's attempt to "frame its amendment as merely 'clarifying' claims it previously asserted" where "there is not a single fact in the Original POCs that could reasonably be read as forming the basis of" the amended claims).

35. The claim's statement that the "total amount is still under investigation" does not change this analysis. In *FTX*, the creditor's original proofs of claim contained a single sentence

stating it was "investigating causes of action against the FTX debtors under chapter 5 of the Bankruptcy Code, including preference and fraudulent transfer actions." *Id.* at *3. The court held that this vague "investigation" language—much like SCVTA's "total amount is still under investigation" qualifier here—"does not provide the Debtors or the Court with notice of either the nature or amount of such claims." *Id.* So too here. SCVTA's "under investigation" qualifier may preserve the ability to refine the ***amount*** of a filed claim with additional evidence—*e.g.*, by documenting repair costs for the five 9500-series buses—but it cannot expand the claim's ***scope*** to encompass an entirely different contract, different buses, or a "total loss" theory that Claim No. 1113 never disclosed. As the Third Circuit has articulated, "fair notice" turns on what the proof of claim actually disclosed—not what the claimant might have claimed or hoped to discover. *Ben Franklin Hotel Assocs.*, 186 F.3d at 309–10.

36. Notably, as previously discussed, even in November 2024—six months after receiving the Fire Cause Report—SCVTA asserted damages of only "no less than $892,358.23." If SCVTA then believed all ten buses were a total loss, one would expect SCVTA to have asserted the full $8.5 million. It did not.

37. Contract No. 1 presents an even more fundamental problem: SCVTA's attempt to assert a claim under that contract is independently barred by the Plan. Contract No. 1 was not assumed and therefore was "deemed rejected as of the Effective Date." Plan, Art. V.A. Under the Plan, claims arising from the rejection of executory contracts must be filed within thirty days of the Effective Date—*i.e.*, by April 12, 2024—or they "will be forever barred." Plan, Art. V.C. More broadly, the Plan provides that late-filed claims "shall be deemed disallowed and expunged" without further Court action. Plan, Art. I.A.6. SCVTA never filed any proof of claim for Contract No. 1—not by the Rejection Bar Date, not by the Governmental Bar Date, and not at any time

thereafter. It cannot now resurrect a time-barred claim by shoehorning it into a response brief filed more than twenty months after the deadline passed.

## III. SCVTA'S DELAY AND POST-CONFIRMATION PREJUDICE WEIGH AGAINST ANY AMENDMENT

38. Even if SCVTA had properly sought leave to amend—which it did not—the timing and circumstances weigh heavily against granting it. Post-confirmation amendments receive heightened scrutiny, and "leave to amend should be denied after plan confirmation" absent a "compelling reason" justifying the amendment and demonstrating that it will not prejudice the estate, other creditors, or the administration of the case. *In re G-I Holdings, Inc.*, 514 B.R. at 756. This is, in part, because "[t]he bar date is important to the administration of the case as it brings certainty to a debtor's case by enabling the debtor and its creditors to know the amount of claims which exist." *In re Exide Techs.*, 601 B.R. at 293. A bar date is "a 'drop-dead date' that bars all prepetition claimants who received the required notice." *In re Trans World Airlines, Inc.*, 96 F.3d 687, 690 (3d Cir. 1996). Here, the Plan has been confirmed and effective for more than two years. The Distribution Trust has reconciled all but approximately 11 claims out of nearly 1,800 proofs of claim filed against the Debtors and is establishing reserves for final distributions to creditors—a process that depends on the certainty of the claims register. Sabzevari Decl. ¶¶ 9–10. Permitting SCVTA to increase its claim by nearly 1,000% through a response brief would inject substantial uncertainty into that process. *Id.* ¶ 11.

39. SCVTA received the Fire Cause Report—the evidentiary centerpiece of its expanded claim—in May 2024. That Report identifies the September 1, 2023 fire, the thermal event on Bus No. 9502, and the defroster issues that SCVTA contends support its "total loss" theory. If SCVTA believed the Report supported a materially larger claim, it had a clear procedural path it could have undertaken more than two years ago, when the claim administration process was

in its infancy: promptly seek leave of Court to amend. Instead, SCVTA waited until January 2026—until after the Distribution Trust filed its Ninth Omnibus Objection—and then asserted the $8,506,160.24 amount for the first time through a response brief. This delay is unexplained and unjustifiable. *See In re DePugh*, 409 B.R. 84, 100 (Bankr. S.D. Tex. 2009) ("delay amounts to 'undue delay' where a party has waited an unreasonably long period of time to amend, or where the delay in filing the amendment is unwarranted); *see also In re Quinn*, 423 B.R. 454, 464 (Bankr. D. Del. 2009), on reconsideration in part, 425 B.R. 136 (Bankr. D. Del. 2010) ("[I]f the party requesting amendment unduly delays in seeking that amendment, a court may deem such delay preclusive."); *Cureton v. NCAA*, 252 F.3d 267, 273 (3d Cir. 2001) (considering "the movant's reasons for not amending sooner.").

40. The prejudice to the estate and other creditors is concrete. The Distribution Trust has relied on the claims register in projecting creditor recoveries and planning distributions. Sabzevari Decl. ¶ 9. Pursuant to the Disclosure Statement, holders of allowed general unsecured claims were projected to receive an estimated recovery of 15.7% to 24.8%. *See* Disclosure Statement at 9. Allowing SCVTA to assert an expanded $8.5 million claim through a response brief—without ever placing it on the claims register, without seeking leave of Court, and without demonstrating a compelling reason for the two-year delay—would materially affect those projections and unfairly dilute the recoveries of other creditors who properly asserted and documented their claims. Sabzevari Decl. ¶ 11. As *Exide* noted, permitting such tactics "would eviscerate the economic basis on which the Plan was negotiated and prejudice the Debtor's estate and its creditors." *In re Exide Techs.*, 601 B.R. at 293 (referencing debtor's argument in denying relation back motion).

41. Permitting this tactic would also invite other claimants to engage in similar "wait-

and-see" litigation—filing placeholder claims, sitting on their rights through confirmation and the claims reconciliation process, and then asserting massively inflated demands only when forced to respond to an objection. *See In re SemCrude, L.P.*, 443 B.R. 472, 477 (Bankr. D. Del. 2011) (recognizing that bar dates serve the important practical and commercial purpose of allowing creditors and the bankruptcy court to rely on a fixed understanding of the debtor's financial position when evaluating a reorganization plan, and that allowing late, unexpected claims—especially large ones—can upset the carefully negotiated balance among parties and therefore should be permitted only with restraint and caution). SCVTA had the information, the time, and the procedural path to seek amendment. It failed to use that path. The Court should not reward that failure now.

42. Accordingly, Claim No. 1113 should be fixed at $880,786.98—the amount that SCVTA asserted in Claim No. 1113.

## CONCLUSION

43. For the foregoing reasons, the Distribution Trustee respectfully requests that the Court: (a) sustain the Objection to the extent SCVTA seeks allowance or reserve treatment for any amount not properly asserted in Claim No. 1113; (b) reject SCVTA's attempt to assert $8,506,160.24 through the Response; or, in the alternative, (c) require SCVTA to file a formal motion for leave to amend if it wishes to pursue an expanded claim and satisfy the applicable post-bar-date and post-confirmation standards.

## RESERVATION OF RIGHTS

44. The Distribution Trustee expressly reserves the right to supplement this Reply at any time prior to the hearing on the Objection and to raise additional objections to Claim No. 1113 at or prior to the currently scheduled hearing or any subsequent hearing.

45. Nothing in this Reply constitutes an admission that Claim No. 1113 is allowed, valid, enforceable, or payable in any amount. The Distribution Trust preserves all rights, objections, and defenses with respect to Claim No. 1113 on any ground.

Dated: June 19, 2026
Wilmington, Delaware

**MORRIS JAMES LLP**

*/s/ Siena B. Cerra*

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# EXHIBIT 1

## Sabzevari Declaration

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

| | |
|---|---|
| In re: | Chapter 11 |
| Prodigy Investment Holdings, Inc.,[1] | Case No. 23-11120 (BLS) |
| Reorganized Debtor. | Jointly Administered |

**DECLARATION OF FARZAN SABZEVARI IN SUPPORT OF THE DISTRIBUTION TRUSTEE'S REPLY REGARDING CLAIM NO. 1113**

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 an associate 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 PTRA 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 *Reply in Support of the Distribution Trustee's Ninth Omnibus (Substantive) Objection to Claim No. 1113 Filed by Santa Clara Valley Transportation Authority* (the "Reply") filed contemporaneously herewith.[2]

3. Except as otherwise indicated, all statements in this Declaration are based upon (i) my personal knowledge, and/or (ii) my review (or the review of persons under my supervision) of the Books and Records, the Schedules filed in the Chapter 11 Cases, the relevant proofs of claim,

[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 Reply.

and the claims register ("Claims Register") maintained by Verita Global (f/k/a Kurtzman Carson Consultants LLC) ("Claims Agent"), 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, or caused persons under my supervision to review, the Claim and the supporting documentation annexed to it, as well as the Response and the supporting declaration attached thereto, to determine the bases upon which liability was asserted against the Debtors and the Reorganized Debtor.

5. I have reviewed, or caused persons under my supervision to review, the Claims Register. As of the date of this Declaration, no amended proof of claim has been filed by SCVTA with the Claims Agent, and no amended claim by SCVTA appears on the Claims Register.

6. I have also reviewed, or caused persons under my supervision to review, the docket in this Chapter 11 Case. As of the date of this Declaration, no motion for leave to amend Claim No. 1113 has been filed by SCVTA on the docket.

7. Since the Plan went effective on March 13, 2024, the Distribution Trust has been engaged in an ongoing claims reconciliation process, reviewing and reconciling filed proofs of claim (including any supporting documentation) with the Schedules, the Claims Register, and the Debtors' Books and Records.

8. As part of the claims reconciliation process, the Distribution Trustee has filed nine omnibus claims objections to date, and the Court has entered orders sustaining several of those objections.

9. I or persons under my supervision, rely on the Claims Register—including the amounts and scope of filed proofs of claim—in analyzing creditor recoveries, calculating reserves

for disputed claims, and assisting the Distribution Trustee in planning distributions to holders of allowed claims.

10. The Distribution Trust has reconciled all but approximately 11 claims out of nearly 1,800 proofs of claim.

11. Permitting SCVTA to increase its claim from the $880,786.98 originally asserted in Claim No. 1113 to $8,506,160.24 at this juncture would inject material uncertainty into that process.

12. The information contained in the Reply is correct to the best of my knowledge, information, and belief.

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: June 19, 2026

*/s/ Farzan Sabzevari*
Farzan Sabzevari