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May 15, 2024

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The Honorable Christine M. Gravelle
United States Bankruptcy Judge for the District of New Jersey
402 East State Street
Trenton, NJ 08608
Courtroom #3

Re: *In re Thrasio Holdings, Inc.*, et al., Case No. 24-11840 (CMG) (Bankr. D.N.J.)

Dear Judge Gravelle:

In advance of today’s status conference, I write on behalf of the Official Committee of Unsecured Creditors of Thrasio Holdings, Inc., *et al.* (the “Committee”) to preview the Committee’s request and reasons for a modest extension of the Debtors’ plan confirmation timeline, to allow sufficient time for the Committee’s ongoing investigation of potential claims and causes of action regarding the Debtors’ prepetition affairs. Our request is set forth in the below chart:

Event	Original Date	Debtors’ Proposed Extended Timeline	Committee Proposed Timeline
Plan Supplement Filing Date / Independent Investigation Results Filing Date	May 13, 2024	May 23, 2024	May 23, 2024
Deadline to File Confirmation Brief	May 21, 2024	June 4, 2024	June 3, 2024
Voting Deadline / Objection Deadline	May 20, 2024	May 29, 2024	June 6, 2024
Committee Objection Deadline	May 20, 2024	May 31, 2024 at 12:00 pm ET	June 6, 2024 ¹
Deadline to File Voting Report	May 21, 2024	June 3, 2024	June 7, 2024
Confirmation Hearing	May 22, 2024	June 5, 2024 at 1:00pm ET	June 10, 2024

Notwithstanding the efforts of the Disinterested Directors² to complete their report within the expedited schedule proposed by the Debtors, on Sunday evening, counsel for the Debtors

¹ The Committee submits that all parties in interest should have the same objection deadline.

² Anthony R. Horton and Stefan M. Selig are the Disinterested Directors of Thrasio Holdings, Inc. (the “Disinterested Directors”).



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informed the Committee that it would not be filed and proposed the adjusted schedule set forth above. The Committee was not surprised, as the issues that were the subject of the report are complex and require additional investigation. The Disinterested Directors are unable to issue their report until Thursday, May 23, 2024. While the Debtors assert that their proposed extended timeline “largely accords with what was requested by the Committee in its letter to the Court at last week’s status conference[.]”³ they ignore that the Committee’s original timeline assumed that the Disinterested Directors’ report would be completed by May 13, 2024. Instead, the additional 10 days required for the Disinterested Directors to complete their report leaves the Committee only four business days to complete its depositions and draft its standing motion and plan objection, to the extent that the Committee disagrees with the conclusions reached in the report. This is because the Memorial Day holiday falls immediately after the Committee is scheduled to receive the report, which prevents the Committee from being able to depose witnesses. While the Committee has already taken or scheduled the depositions it is able to take prior to receiving the Disinterested Directors’ report, the report is necessary to effectively depose the remaining key witnesses—namely, Carlos Cashman, Daniel Boockvar, the Debtors’ 30(b)(6) examination, and one of the Disinterested Directors themselves.

To the extent that the Debtors’ plan seeks to extinguish valuable unencumbered estate claims, there must be a full adjudication on the record in front of this Court. Unsecured creditors are entitled to participate fully in the plan confirmation process. The Disinterested Directors’ recognition that more time is required to complete their work underscores the complexity and seriousness of these claims. The Committee requests that the confirmation hearing be moved by three business days to afford the Committee the ability to fulfill its fiduciary duty. This request is both reasonable and will not impose any material additional costs on these estates. Indeed, the Committee’s proposed schedule may in fact save these estates from additional administrative expenses. This is because the Committee’s proposed schedule enables the parties to use the week beginning on May 20 to engage in informed settlement discussions. Moreover, the Committee’s proposed schedule calls for the Debtors’ brief in support of confirmation to be filed a week prior to the confirmation hearing, affording the Committee the ability to respond to the Debtors’ arguments. Accordingly, the Committee urges the Court to adopt the confirmation timeline as proposed by the Committee.

Finally, although the Committee believes that the most important issue for today’s status conference is the confirmation schedule, there are ongoing discovery disputes, as previewed in the Debtors’ Statement, between the Committee and the Debtors and the third-party investors who were intimately involved with the Debtors’ business. For example, since the

³ See *Debtors’ Statement in Advance of May 15, 2024 Status Conference* [Docket No. 757] (the “Debtors’ Statement”), at ¶ 4.

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May 7 conference with the Court, the Debtors have produced an additional 18,921 documents.⁴ A little fewer than half of those documents, however, were produced just yesterday. And yet, the Debtors' production is not complete, including documents that have been improperly withheld as privileged and have yet to be produced. Further, a number of the third-party investors have not complied with their production obligations under the subpoenas issued by the Committee. To the extent that these issues are not resolved in the near term, the Committee may be required to file a motion to compel with this Court.

Sincerely,

/s/ Doug Mannal

Doug Mannal
Partner

⁴ Over 1,700 of those documents were Peak6 and Upper90 documents that the Debtors' counsel reviewed for privilege and produced on behalf of Peak6 and Upper90.