

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

In re: ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.], <i>et al.</i> , ¹ Debtors.	Chapter 11 Case No. 15-12465 (CSS) (Jointly Administered) Hearing Date: May 5, 2020 at 11:00 a.m. (ET) Objection Deadline: April 3, 2020 at 4:00 p.m. (ET)
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**SIXTH MOTION OF THE LIQUIDATING TRUSTEE FOR
AN ORDER EXTENDING THE DEADLINE TO OBJECT TO THE
ALLOWANCE OF CLAIMS TO SEPTEMBER 21, 2020**

Saccullo Business Consulting, LLC, the liquidating trustee (the “Liquidating Trustee”) for the liquidating trust (the “Liquidating Trust”) established pursuant to the *Order Confirming the First Amended Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* (the “Confirmation Order”)² [D.I. 892] hereby submits this motion (the “Motion”) for the entry of an order, substantially in the form annexed hereto as **Exhibit A**, extending the Liquidating Trustee’s time to object to the allowance of claims through and including September 21, 2020. In support of this Motion, the Liquidating Trustee respectfully represents as follows:

Jurisdiction and Venue

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2),

¹ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119).

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Confirmation Order.



and the Liquidating Trustee confirms his consent pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 502 and 503 of Title 11 of the United States Code (the “Bankruptcy Code”), as supplemented by Rule 9006(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rules 9006-1 and 9006-2.

Background

3. On December 7, 2015, with respect to debtors Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] and Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.], and on December 11, 2015, with respect to debtors Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (collectively, the “Debtors”), the Debtors each filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

4. On December 16, 2015, the Office of the United States Trustee appointed the official committee of unsecured creditors [D.I. 119].

5. On January 22, 2016, the Court entered an order approving the sale of substantially all of the Debtors’ assets to Mattel, Inc. or its designee [D.I. 345]. That transaction closed on January 29, 2016.

6. On April 26, 2016, the Court entered the *Order (1) Fixing Bar Date for the Filing of Proofs of Claim, Including Claims Arising Under Section 503(b)(9) of the Bankruptcy Code, (2) Fixing Bar Date for the Filing of Proofs of Claim by Governmental Units, (3) Designating Form*

and Manner of Notice Thereof, and (4) Granting Related Relief [D.I. 531], setting the general bar date for filing proofs of claims as June 28, 2016 at 4:00 p.m. (prevailing Pacific Time) (the “Claims Bar Date”).

7. On November 30, 2016, the Court entered the Confirmation Order confirming the *First Amended Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* (the “Plan”). The effective date of the Plan occurred on January 25, 2017 (the “Effective Date”) [D.I. 958].

8. Pursuant to the Confirmation Order, on the Effective Date, the Liquidating Trust was established, substantially all of the Debtors’ remaining assets were transferred to the Liquidating Trust and the Liquidating Trustee was appointed to administer the Liquidating Trust. Under Article V of the Plan, the Liquidating Trustee is authorized to, among other things, (i) liquidate the Liquidating Trust assets; (ii) investigate, prosecute, settle, abandon or compromise any causes of action retained by the Debtors’ estates under the Plan; and (iii) object to disputed claims and prosecute, settle, compromise, withdraw or resolve such objections.

9. Pursuant to the Plan, the deadline to object to claims (the “Claims Objection Deadline”) was 365 days after the Effective Date, or January 25, 2018. On December 19, 2017, the Liquidating Trustee filed the *Motion of the Liquidating Trustee for an Order Extending the Deadline to Object to the Allowance of Claims to May 25, 2018* [D.I. 1135]. On January 19, 2018, the Court entered an order [D.I. 1160] extending the Claims Objection Deadline to May 25, 2018. On May 18, 2018, the Liquidating Trustee filed the *Second Motion of the Liquidating Trustee for an Order Extending the Deadline to Object to the Allowance of Claims to September 24, 2018* [D.I. 1195]. On June 7, 2018, the Court entered an order [D.I. 1206] extending the Claims Objection Deadline to September 24, 2018. On September 21, 2018, the Liquidating Trustee filed

the *Third Motion of the Liquidating Trustee for an Order Extending the Deadline to Object to the Allowance of Claims to March 25, 2019* [D.I. 1238]. On October 9, 2018, the Court entered an order [D.I. 1247] extending the Claims Objection Deadline to March 25, 2019. On March 12, 2019, the Liquidating Trustee filed the *Fourth Motion of the Liquidating Trustee for an Order Extending the Deadline to Object to the Allowance of Claims to September 23, 2019* [D.I. 1278]. On April 2, 2019, the Court entered an order [D.I. 1283] extending the Claims Objection Deadline to September 23, 2019. On September 11, 2019, the Liquidating Trustee filed the *Fifth Motion of the Liquidating Trustee for an Order Extending the Deadline to Object to the Allowance of Claims to March 23, 2020* [D.I. 1335]. On September 27, 2019, the Court entered an order [D.I. 1340] extending the Claims Objection Deadline to March 23, 2020. (the “Current Deadline”).³

10. To date, the Debtors’ register of claims, prepared by Kurtzman Carson Consultants LLC, reflects that over 700 claims have been filed or scheduled (the “Claims”) against the Debtors’ estates, which total more than \$2 billion, as filed.

11. The Liquidating Trustee is in the process of reviewing and reconciling the Claims. To date, the Liquidating Trustee has filed (i) five notices of satisfaction of claims (*see* D.I. 1117, 1118, 1119, 1120, and 1380) reflecting that approximately 400 Claims have been satisfied, (ii) two (2) omnibus objections to Claims (*see* D.I. 1106 and 1107), which collectively objected to 59 Claims, and (iii) nine individual objections to Claims seeking to reclassify or disallow and expunge the claims (*see* D.I. 1194, 1234, 1343, 1344, 1346, 1368, 1377, 1398, and 1399).

12. In addition to his work reconciling the Claims, since the Effective Date, the Liquidating Trustee has undertaken various tasks necessary to the administration of the

³ Pursuant to Local Rule 9006-2, the filing of this Motion prior to the Current Deadline shall serve to automatically extend the Current Deadline without the necessity for the entry of a bridge order, until the Court rules on this Motion. *See* Local Rule 9006-2.

Liquidating Trust. These tasks have included, but are not limited to: (i) securing and preserving the Debtors' electronic data and physical records and providing for their transition to the Liquidating Trust; (ii) resolving third-party motions and other request for relief pending as of the Effective Date; (iii) investigating and prosecuting certain causes of action retained by the Debtors' estates under the Plan; and (iv) addressing numerous creditor and former equity holder inquiries.

13. Moreover, on April 17, 2019, the Liquidating Trustee filed a motion for preliminary and final orders authorizing and approving a stipulation resolving (a) the Class Claim of Scott Miller and James E. Griffin (Claim No. 177), (b) the Claim of D&H Distributing Co. (Claim No. 153), (c) the Claim of Wistron Corporation and Wistron Infocomm Technology (America) Corporation (Claim No. 162), (d) the Claims of North Haven Expansion Capital Co-Investment Vehicle LP, f/k/a MS Expansion Capital Co-Investment Vehicle LP, and North Haven Expansion Capital LP, f/k/a Morgan Stanley Expansion Capital LP (Claim Nos. 137 and 140), (e) Certain Additional Claims Among the Parties, and (f) Disallowing and Expunging the Claims of Gutride Safier LLP (Claim Nos. 165, 166, 167, and 168) (the "Claims Stipulation"). On September 4, 2019, the Court entered a final order approving the Claims Stipulation [D.I. 1329].

14. Although the Liquidating Trustee has been working diligently to accomplish these tasks, and significant progress has been made since the Effective Date, much additional work remains, particularly with respect to the reconciliation of Claims. The Liquidating Trustee will continue to work towards the resolution of the Claims as quickly as possible under the circumstances, but needs additional time to do so.

Relief Requested

15. By this Motion, the Liquidating Trustee requests entry of an order extending the Current Deadline for an additional period of six (6) months (or 182 days), from March 23, 2020

through and including September 21, 2020, without prejudice to the rights of the Liquidating Trustee to seek a further extension of the Claims Objection Deadline as appropriate.

Basis for Relief

16. Sections 502 and 503 of the Bankruptcy Code contemplate that Claims will be challenged when appropriate and, if necessary, estimated. *See* 11 U.S.C. §§ 502 & 503. The Plan vests the discretion to object or seek estimation of Claims in the Liquidating Trustee on behalf of the Debtors' estates. Although the Plan sets an initial deadline by which such challenges must be raised, it contemplates extension of the Claims Objection Deadline by order of the Bankruptcy Court.

17. Bankruptcy Rule 9006 permits the Court to extend deadlines for cause. Specifically, Bankruptcy Rule 9006 provides, in relevant part:

[W]hen an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion (1) with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order”

Fed R. Bankr. P. 9006(b)(1).

18. The Liquidating Trustee submits that the extension of the Current Deadline by 182 days is critical to the efficient administration of the Debtors' estates and is in the best interests of the creditors. To ensure the fair and proper administration of the Debtors' estates, the Liquidating Trustee requires additional time to reconcile the remaining Claims, to attempt to reach consensual resolutions and, if appropriate, file additional objections.

19. The requested extension of the Current Deadline will not prejudice any claimant or other party in interest, and will benefit creditors holding valid Claims. Additionally, the requested extension will not affect any claimant's substantive defenses to any objection to its Claim.

20. Given the posture of the case and the limited resources, both the Liquidating Trustee and creditors would be severely prejudiced if the Current Deadline is not extended. Failure to extend the Current Deadline will preclude the Liquidating Trustee from challenging invalid or overstated Claims, which will diminish the *pro rata* recovery of all general unsecured creditors under the Plan. Alternatively, without an extension, the Liquidating Trustee would have to hastily prepare “protective” objections at the expense of a thorough review and/or potential negotiations with claimants.

21. Extending the Current Deadline until September 21, 2020 will permit the Liquidating Trustee to continue administering the Liquidating Trust and conduct a proper review and reconciliation of the remaining claims while conserving the limited resources of the Debtors’ estates. The extension will also allow the Liquidating Trustee to pursue settlement of certain Claims without the delay and expense of unnecessary objections and litigation.

22. In sum, the Liquidating Trustee believes the proposed time extension will provide sufficient time and flexibility to allow him to consider, and make decisions concerning the Claims. Similar relief to that requested herein has been granted in this District. *See, e.g., In re Draw Another Circle, LLC, et al.*, Case No. 16-11452 (KJC) (Bankr. D. Del. Aug. 30, 2017) [D.I. 1504] (extending claim objection deadline by 181 days); *In re QCE Finance, LLC*, Case No. 14-10543 (LSS) (Bankr. D. Del. Mar. 13, 2015) [D.I. 645] (extending claim objection deadline by 120 days); *In re Savient Pharmaceuticals, Inc.*, Case No. 13-12680 (MFW) (Bankr. D. Del. Mar. 9, 2015) [D.I. 852] (extending claim objection deadline by 122 days); *In re EGHI Holdings, Inc.*, Case No. 09-12099 (MFW) (Bankr. D. Del. Mar. 3, 2015) [D.I. 2398] (extending claim objection deadline by 122 days); *In re Laboratory Partners, Inc.*, Case No. 13-12769 (LSS) (Bankr. D. Del. Jan. 28, 2015) [D.I. 777] (extending claim objection deadline by 180 days); *In re Rupari Holding Corp.*,

et al., (KJC) (Bank. D. Del. July 5, 2018) [D.I. 808] (extending claim objection deadline by 200 days).

23. Accordingly, the Liquidating Trustee respectfully submits that cause exists for the relief requested herein. The Liquidating Trustee reserves his right to seek a further extension of the time to file and serve objections to claims upon motion filed with the Court.

Notice

24. The Liquidating Trustee will provide notice of this Motion to the following parties, or their counsel, if known: (a) the Office of the United States Trustee; (b) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (c) all holders of a claim that has not yet been allowed. The Liquidating Trustee submits that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Liquidating Trustee respectfully requests the entry of an order, substantially in the form annexed hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as is just and proper.

Dated: March 20, 2020
Wilmington, Delaware

Respectfully submitted,

/s/ Leslie C. Heilman

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EXHIBIT A

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

In re:

ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],
et al.,¹

Debtors.

Chapter 11

Case No. 15-12465 (CSS)

(Jointly Administered)

Related Docket No. ____

**ORDER EXTENDING THE DEADLINE TO
OBJECT TO THE ALLOWANCE OF CLAIMS TO SEPTEMBER 21, 2020**

Upon the motion (the “Motion”)² of Saccullo Business Consulting, LLC, the liquidating trustee (the “Liquidating Trustee”) for the liquidating trust established pursuant to the *Order Confirming the First Amended Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [D.I. 892], for the entry of an order (this “Order”) extending the Liquidating Trustee’s time to object to the allowance of claims through and including September 21, 2020, as more fully set forth in the Motion; and the Court having found that the Court has jurisdiction to consider the Motion; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion and having determined that the legal and factual bases set forth in the Motion establish good and just cause for the relief granted herein; and upon all the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

¹ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

2. Pursuant to Bankruptcy Rule 9006, the time within which the Liquidating Trustee may object to Claims is extended an additional six (6) months (or 182 days) through and including September 21, 2020.

3. The entry of this Order shall be without prejudice to the rights of the Liquidating Trustee to request further extensions of the Claims Objection Deadline.

4. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or enforcement of this Order.

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

In re: ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.], <i>et al.</i> , ¹ Debtors.	Chapter 11 Case No. 15-12465 (CSS) (Jointly Administered) Hearing Date: May 5, 2020 at 11:00 a.m. (ET) Objection Deadline: April 3, 2020 at 4:00 p.m. (ET)
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**NOTICE OF SIXTH MOTION OF THE LIQUIDATING TRUSTEE FOR
AN ORDER EXTENDING THE DEADLINE TO OBJECT TO THE
ALLOWANCE OF CLAIMS TO SEPTEMBER 21, 2020**

PLEASE TAKE NOTICE that on March 20, 2020, Saccullo Business Consulting, LLC, the liquidating trustee (the “Liquidating Trustee”) for the liquidating trust established pursuant to the *Order Confirming the First Amended Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [D.I. 892] filed the *Sixth Motion of the Liquidating Trustee for an Order Extending the Deadline to Object to the Allowance of Claims to September 21, 2020* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “Bankruptcy Court”). A copy of the Motion is attached hereto.

PLEASE TAKE FURTHER NOTICE that objections and responses to the relief requested in the Motion, if any, must be in writing and filed with the Bankruptcy Court on or before **April 3, 2020, at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response or objection upon counsel to the Liquidating Trustee: Cooley LLP, 55

¹ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119).

Hudson Yards, New York, NY 10001, Attn: Jay R. Indyke, Esq. and Sarah Carnes, Esq., and Ballard Spahr LLP, 919 North Market Street, 11th Floor, Wilmington, DE 19801, Attn: Leslie C. Heilman, Esq. and Chantelle D. McClamb, Esq.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE RELIEF SOUGHT IN THE MOTION WILL BE HELD ON MAY 5, 2020 AT 11:00 A.M. (PREVAILING EASTERN TIME) BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI AT THE UNITED STATES BANKRUPTCY COURT, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.

Dated: March 20, 2020
Wilmington, Delaware

/s/ Leslie C. Heilman
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