Case 24-11362-MBK Doc 421 Filed 05/02/24 Entered 05/02/24 18:24:21 Dec Main Documeni raye 1 01 4

UNITED STATES ATTORNEY'S OFFICE PHILIP R. SELLINGER United States Attorney EAMONN O'HAGAN Assistant U.S. Attorney 970 Broad Street, Suite 700 Newark, NJ 07102-2535 Tel: (973) 645-2874

Attorneys for the United States of America

## UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY

In re

INVITAE CORPORATION, et al.

Debtors.

Chapter 11

Case No. 24-11362-MBK

Chief Judge Michael B. Kaplan

Hearing Date: May 7, 2024 Hearing Time: 10:00 a.m.

## OBJECTION OF UNITED STATES OF AMERICA TO NOTICE TO CONTRACT PARTIES TO POTENTIALLY ASSUMED <u>CONTRACTS AND UNEXPIRED LEASES</u>

THE UNITED STATES OF AMERICA, submits the following objection to the

Notice to Contract Parties to Potentially Assumed Executory Contracts and

Unexpired Leases [ECF Doc. 365] (the "Contract Assumption Notice").<sup>1</sup> In support

thereof, the United States respectfully represents as follows:

# **RELEVANT BACKGROUND**

1. The Contract Assumption Notice lists over one dozen purported

<sup>&</sup>lt;sup>1</sup> Capitalized terms used herein that are otherwise undefined shall have the meanings ascribed in the Cure Notice.



#### Case 24-11362-MBK Doc 421 Filed 05/02/24 Entered 05/02/24 18:24:21 Desc Main Document Page 2 of 4

contracts with the United States. See Contract Assumption Notice, Exhibit A. Pursuant to the USPS tracking number accompanying the Contract Assumption Notice sent to the United States Attorney's Office, it was delivered on May 1, 2024, at 2:50 p.m. See <u>https://tools.usps.com/go/TrackC onfirm Action ?qtc\_t Labels</u> <u>1=9405516931490046526793</u>. Notwithstanding this May 1 delivery date, the Contract Assumption Notice purported to impose an objection deadline of that very same day at 4:00 p.m.<sup>2</sup> See Contract Assumption Notice at 2, ¶ 3.

2. Thus, even assuming undersigned counsel received the Contract Assumption Notice at the moment it was delivered to the mailroom of the U.S. Attorney's Office, the purported objection deadline would have provided exactly <u>one</u> <u>hour and ten minutes</u> to *inter alia*, (i) review the 370-page document; (ii) identify and review all of the relevant contracts (after obtaining them from the relevant agencies); (iii) confirm whether these contracts were even subject to assignment under applicable non-bankruptcy law; (iv) ascertain whether the affected agencies agreed with the proposed cure amounts; and (v) prepare and file any appropriate objection. Presumably, many other contract parties are similarly disadvantaged in having adequate time to review and respond to the Contract Assumption Notice.

<sup>&</sup>lt;sup>2</sup> Contrary to the May 1 deadline stated in the Contract Assumption Notice, the Court's docketing notes accompanying the Contract Assumption Notice state that the objection deadline is actually May 5, 2024. *See* [ECF Doc. No. 365]. Based on discussions with Debtors' counsel, the United States does not believe the Debtors will take the position that this objection is untimely.

#### **OBJECTION**

3. The United States objects to the Contract Assignment Notice to the extent it purports to assume and assign contracts in violation applicable nonbankruptcy law including, *inter alia*, the Federal Anti-Assignment Act (41 U.S.C. § 6305) and the Federal Acquisition Regulation, (48 CFR § 42.1204(a)). Section 365(c)(1) of the Bankruptcy Code prohibits the Debtors from assuming and assigning executory contracts when "applicable law excuses a party, other than the debtor, to such a contract from accepting performance from . . . an entity other than the debtor or debtor in possession" without the non-debtor's consent. 11 U.S.C. § 365(c)(1). The Anti-Assignment Act and Federal Acquisition Regulation (among other potentially governing statutes and regulations) would constitute applicable law that excuses the United States from accepting performance from anyone but the Debtors for purposes of section 365(c)(1). In re West Elecs., 852 F.2d 79, 83 (3d Cir. 1988). The United States reserves all rights in this regard because, having received notice yesterday afternoon, it has not yet had an opportunity to review the federal contracts listed in the Contract Assignment Notice or to confer with the impacted agencies to determine which non-bankruptcy statutes and regulations apply to the scheduled contracts.

4. Even assuming the relevant federal contracts are subject to assignment, the United States further objects to the cure amounts listed Contract Assignment Notice. As explained above, the United States has had no meaningful

### Case 24-11362-MBK Doc 421 Filed 05/02/24 Entered 05/02/24 18:24:21 Desc Main Document Page 4 of 4

opportunity to determine what amounts are due under the scheduled contracts or to even obtain copies of the same. As a result, the United States is in no position to accept the stated cure amounts and therefore objects.

5. The United States fully reserves all rights with respect to the foregoing

issues.

Dated: May 2, 2024

PHILIP R. SELLINGER United States Attorney

<u>/s/ Eamonn O'Hagan</u> EAMONN O'HAGAN Assistant U.S. Attorney

Attorneys for the United States of America