

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

NEIGHBORS LEGACY HOLDINGS, INC.,
et al.,

Debtors.

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Chapter 11

Case No. 18-33836

(Jointly Administered)

LIQUIDATING TRUSTEE'S OBJECTION TO SOHAIL ALAM'S CLAIM NO. 197

THIS IS AN OBJECTION TO YOUR CLAIM. THIS OBJECTION ASKS THE COURT TO DISALLOW THE CLAIM THAT YOU FILED IN THIS BANKRUPTCY CASE. IF YOU DO NOT FILE A RESPONSE WITHIN 30 DAYS AFTER THE OBJECTION WAS SERVED ON YOU, YOUR CLAIM MAY BE DISALLOWED WITHOUT A HEARING.

THIS OBJECTION IS FILED AS TO THE ALLEGED PRIORITY, ADMINISTRATIVE, OR SECURED STATUS OF YOUR CLAIM ONLY. NOTHING IN THIS OBJECTION SHALL WAIVE OR IN ANY WAY PREJUDICE THE UNSECURED CREDITOR TRUST'S¹ ABILITY TO OBJECT TO THE GENERAL UNSECURED PORTION OF YOUR CLAIM.

Tensie Axton, Trustee (the "Liquidating Trustee") of the Liquidating Trust (the "Liquidating Trust") of Neighbors Legacy Holdings, Inc. and certain of its affiliates and subsidiaries (the "Debtors"), files her *Objection to Sohail Alam's Claim No. 197* (the "Objection").

I. PRELIMINARY STATEMENT

1. On October 23, 2018, Sohail Alam ("Mr. Alam" or the "Claimant") filed proof of claim no. 197, asserting an alleged priority claim of \$818,000.00 (the "Claim"). Mr. Alam thereafter commenced an adversary proceeding asserting similar claims, and it is unclear if the

¹ The Debtors' Plan, as more specifically defined herein and confirmed at Docket No. 847, creates two Plan Trusts – the Liquidating Trust and the Unsecured Creditor Trust. Among other things, the Unsecured Creditor Trust is tasked with reviewing and objecting to general unsecured claims. The Liquidating Trust is tasked with, among other things, reviewing and objecting to all other filed claims, including priority, administrative, and secured claims.



adversary proceeding supersedes the Claim in its entirety. The Liquidating Trustee (among others) has filed a motion to dismiss the pending complaint in the adversary proceeding. To the extent any portion of the Claim survives the pending motions to dismiss, the Liquidating Trustee asserts this timely objection.

2. The Liquidating Trustee objects to the Alam proof of claim on several grounds. First, the Claim does not contain any factual basis or evidence for treating the Claim as a priority, administrative, or secured claim. Nothing in the Claim, its attached documents, or in Mr. Alam's untimely attempts to supplement or amend his Claim establishes a priority, administrative, or secured claim.

3. Second, the Liquidating Trustee objects to Mr. Alam's untimely attempts to either supplement or amend his Claim, all of which were filed after the November 14, 2018 bar date (the "Bar Date") [Docket Nos. 736, 828, 850, and 856]. In each instance, Mr. Alam either alleges new claims against the Debtors or asserts an entirely new basis for liability for his Claim. In particular, in *Sohail Alam v. Neighbors iGP LLC, et al.*, Adversary No. 19-3442 (the "Adversary Case"), Mr. Alam alleges several unsupported claims against the Liquidating Trustee, Neighbors Health, LLC, Neighbors GP, LLC, and EDMG, LLC, among others. But the fact remains that none of Mr. Alam's claims are supported by specific factual allegations or evidence against the Liquidating Trustee or the Debtors. The Liquidating Trustee filed a motion to dismiss the Second Amended Complaint (defined below) for these reasons.²

² The Liquidating Trustee previously objected to the Claim in her *Answer to First Revised Amended Complaint at Docket No. 27 and Objection to Claim* (the "First Objection") [Adversary Case Docket No. 30]. Since filing the First Objection, Mr. Alam has amended his complaint and the Liquidating Trustee has filed her Motion to Dismiss. The First Objection is incorporated herein by reference.

II. JURISDICTION

4. This Court has subject matter jurisdiction over this claim objection pursuant to 28 U.S.C. § 1334. This Objection is a core proceeding arising under title 11 pursuant to 28 U.S.C. §157(b)(2)(B). The Court has constitutional authority to enter a final order in this matter under *Stern v. Marshall*, 564 U.S. 462 (2011).

III. BACKGROUND

A. Mr. Alam's History with the Debtors

5. On March 31, 2017, Neighbors Health, LLC ("Neighbors Health") and Neighbors Telehealth, LLC ("Telehealth") entered into an administrative services agreement (the "Administrative Services Agreement"). The Administrative Services Agreement provided that Neighbors Health would furnish administrative services to Telehealth, including providing, among other things, administrative services sufficient to support staffing and human resources, accounting, financial planning and forecasting, cash management, insurance administration, and executive operations management. Telehealth owes Neighbors Health no less than \$490,530.17 in unreimbursed expenses for services rendered under the Administrative Services Agreement.

6. Also on March 31, 2017, Mr. Alam entered into a contribution agreement (the "Contribution Agreement") with Telehealth and Neighbors Health and transferred sole legal title to a telemedicine software platform to Telehealth in exchange for 1 Class A voting share, 299 shares of Class B non-voting stock, and an employment agreement with Telehealth. On March 31, 2017, EDMG, LLC ("EDMG"), a wholly-owned subsidiary of Neighbors Health, Telehealth, and Mr. Alam entered into a five-year employment agreement (the "Employment Agreement"), pursuant to which the Mr. Alam was employed as the Executive Director of Telehealth.

7. Additionally, on March 31, 2017, Telehealth and Neighbors Health entered into a software license agreement (the “Software Agreement”) that granted Neighbors Health a license for all the source codes of Telehealth’s software products, including the right to make copies of the licensed software and documentation for backup and archival purposes. Neighbors Health also entered an intellectual property license agreement with Telehealth for the use of the Neighbors name.

B. Procedural History and Plan Confirmation

8. On July 12, 2018 (the “Petition Date”), the Debtors filed these chapter 11 cases. On February 20, 2019, the Debtors filed their *First Amended Joint Plan of Liquidation of Neighbors Legacy Holdings, Inc. and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* (the “Plan”) [Docket No. 772].

9. On September 6, 2018, the Court approved the rejection of the Administrative Services Agreement effective August 31, 2018. [Docket No. 357].

10. On March 22, 2019, the Court held the plan confirmation hearing (the “Confirmation Hearing”), at which Mr. Alam appeared and made arguments in support of his confirmation objection (the “Confirmation Objection”) [Docket No. 828]. The Confirmation Objection argued, among other things, that the Plan was proposed in bad faith and that Mr. Alam had a priority claim against the Debtors related to his Employment Agreement for “fraud, inducement, breach of contract, etc.,” presaging the allegations made in his Second Amended Complaint [Docket No. 828 at ¶¶ 4, 14]. Mr. Alam did not present any evidence at the hearing, and he left the Confirmation Hearing sometime prior to the close of the evidentiary record.

11. The Debtors presented argument and uncontroverted evidence through testimony and exhibits, which the Court admitted into the evidentiary record. Among other things, the Debtors' evidence established that:

- a. Neighbors Telehealth, LLC is not a Debtor or an entity owned by any Debtor.
- b. The Administrative Services Agreement between Neighbors Telehealth, LLC and the Debtors was rejected.
- c. Under the Administrative Services Agreement, Neighbors Telehealth, LLC owes the Debtors almost \$500,000.
- d. The Debtors have no outstanding obligations to Neighbors Telehealth, LLC.
- e. The Debtors were never involved in managing the day-to-day operations of Neighbors Telehealth, LLC and never had access to its bank accounts.
- f. Certain Debtors were party to a software license agreement with Neighbors Telehealth, LLC that allowed the Debtors to use the software. But outside of a pilot project, the Debtors never used Neighbors Telehealth, LLC's software.
- g. Mr. Alam provided no services to the Debtors postpetition.

12. At the conclusion of the Confirmation Hearing, the Court found, among other things, that the Debtors proposed their Plan in good faith, overruled Mr. Alam's Confirmation Objection and entered its *Order Approving Debtors' Second Amended Disclosure Statement and Confirming Debtor Entities' First Amended Joint Plan of Liquidation of Neighbors Legacy Holdings, Inc. and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* (the "Confirmation Order") [Docket No. 847].

13. The Plan and the Confirmation Order established the Liquidating Trust and approved the Liquidating Trust Agreement, which, among other things, appointed the Liquidating Trustee to distribute the Liquidating Trust Assets in accordance with the Plan and the Confirmation

Order. *See* Liquidating Trust Agreement [Docket No. 802-1]. Pursuant to the Plan, the Debtors' estates are deemed consolidated for purposes of making distributions to certain claimants.

14. Pursuant to Art.V.F of the Plan and Section 5.1 of the Liquidating Trust Agreement, the Liquidating Trustee has the exclusive authority to file, settle, compromise, withdraw, or litigate to judgment any objection to claims, other than Class 4 General Unsecured Claims.

C. Mr. Alam's Proof of Claim

15. On October 5, 2018, the Debtors filed their *Notice of Deadlines for Filing Proofs of Claim* (the "Bar Date Notice"), which gave notice of the November 14, 2018 Bar Date for all non-governmental claimants [Docket No. 551]. On October 12, 2018, Kurtzman Carson Consultants filed its *Supplemental Certificate of Service* [Docket No. 562], which stated, among other things, that on October 9, 2018, Kurtzman Carson Consultants sent the Bar Date Notice to various parties, including Mr. Alam.

16. On October 23, 2018, Mr. Alam filed proof of claim no. 197, alleging a priority claim for \$818,000.00.

17. On January 2, 2019, Mr. Alam filed his *Letter to the Court by Sohail (Sam) Alam re: Proof of Claim 197* (the "Alam Letter") in his first attempt to amend his Claim [Docket No. 736].

18. On March 20, 2019, Mr. Alam filed his Confirmation Objection in his second untimely attempt to amend his Claim [Docket No. 828].

19. On March 22, 2019, Mr. Alam filed *Alam's Supplement to His Proof of Claim and Objection to Confirmation of Debtors Proposed Chapter 11 Plan* (the "First Supplement") in his third untimely attempt to amend his Claim [Docket No. 848, duplicate at Docket No. 850].

20. On March 25, 2019, Mr. Alam filed *Creditor Sohail Alam's Second Supplement to his Proof of Claim and Objections to Confirmation* (the "Second Supplement") in his fourth untimely attempt to amend his Claim [Docket No. 855, duplicate at Docket No. 856].

21. On April 4, 2019, Mr. Alam filed *Sohail Alam (Creditor) Motion for Declaratory Judgment for Fraud and Fraudulent Inducement Against Neighbors Health, LLC, Neighbors GP, LLC and EDMG, LLC* [Docket No. 860].

22. On April 12, 2019, Mr. Alam filed his *Notice that He is Electing to Have His Motion for Declaratory Judgment for Fraud and Fraudulent Inducement Against Neighbors Health LLC, Neighbors GP, LLC, and EDMG, LLC Filed on April 4, 2019 to be Treated as His Proof of Claim* (the "Alam Notice") [Docket No. 876].

23. Accordingly, on April 12, 2019, Mr. Alam filed proof of claim no. 889 (the "Untimely Claim"), alleging a secured claim for \$660,000.00, a priority claim for \$60,000.00, and a general unsecured claim for \$98,000.00 for a total claim of \$818,000.00.

24. On April 17, 2019, Mr. Alam withdrew his Untimely Claim [Bankruptcy Docket No. 882] in order to file *Sohail Alam's Motion for Adversary Proceedings for First Amended Declaratory Judgment for Fraud and Fraudulent Inducement Against Neighbors Health, LLC, Neighbors GP, LLC, and EDMG, LLC* [Docket No. 883].

25. On July 2, 2019, the Liquidating Trustee objected to Mr. Alam's Claim in *Liquidating Trustee's Answer to First Revised Amended Complaint at Docket No. 27 and Objection to Claim* (the "Liquidating Trustee's Answer") [Adversary Case Docket No. 30 at ¶ 52–60].

26. Mr. Alam filed his Second Amended Complaint on September 12, 2019, seeking relief in the amount of a minimum \$818,000.00 in actual damages; a minimum \$500,000 for 4

years of uncompensated time; a minimum \$6 million in lost profits; general damages; special damages; damages for emotional distress, mental anguish, exemplary damages; non-attorney legal fees; and allow him to claim benefits under the Debtor Entities' D&O insurance policy [Adversary Case Docket No. 54 at ¶ 204–205].

IV. OBJECTION

A. Mr. Alam's Claim Is Not a Priority, Administrative, or Secured Claim.

27. Under section 502 of the Bankruptcy Code, a proof of claim is deemed allowed “unless a party in interest . . . objects.” 11 U.S.C. § 502. Section 502 lists objectionable claims, including claims that are “unenforceable against the debtor and property of the debtor . . .” 11 U.S.C. § 502(b)(1). A proof of claim loses its *prima facie* validity under Bankruptcy Rule 3001(f) when an objecting party refutes at least one allegation that is essential to the claim's legal sufficiency. *See In re Fidelity Holding Co., Ltd.*, 837 F.2d 696, 698 (5th Cir. 1988). The burden then shifts to the claimant to prove the validity of its claim by a preponderance of the evidence. *Id.* Still, “the ultimate burden of proof always lies with the claimant.” *In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006) (citing *Raleigh v. Ill. Dep't of Rev.*, 530 U.S. 15 (2000)).

28. Mr. Alam's proof of claim does not include any documents that support the conclusion that Mr. Alam holds a priority, administrative, or secured claim against the Debtors. Further, despite being given ample opportunity to do so, Mr. Alam has failed to present any evidence that supports his allegations in his various pleadings or motions. As with all of Mr. Alam's pleadings, the Claim makes various unsupported and inflammatory allegations against the Debtors, yet fails to provide evidence that supports the priority, administrative, or secured status of his Claim.

29. Mr. Alam's Claim asserts an \$818,000.00 priority claim pursuant to 11 U.S.C. § 507(a)(4) (wages, salaries, or commissions earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier), 507(a)(5) (contributions to an employee benefit plan), and 507(a)(8) (taxes or penalties owed to governmental units). Mr. Alam fails to attach any documents or include any evidence that shows that he holds a priority, administrative or secured claim. The Claim attaches an unfiled "Plaintiff's Original Petition," for a state court lawsuit against Setul Patel, Rajan Popat, Exta Popat, Girish Capital, and Telehealth for fraud, breach of the Employment Agreement and Telehealth's LLC agreement, and for dissolution of Telehealth. The "Original Petition" does not evidence a priority, administrative, or secured claim in *any* amount.

30. Mr. Alam cannot establish that his claim is for wages, salaries or commissions, contributions to an employee benefit plan, or a tax claim. As with all of Mr. Alam's pleadings and motions, the basis for his Claim is a moving target. He variously asserts that the \$818,000 claim is the alleged value of the software Mr. Alam allegedly contributed to Telehealth pursuant to the Contribution Agreement [Docket No. 850]. Elsewhere, he alleges he has an administrative expense claim for the value of his Employment Agreement [Docket No. 828 at ¶ 3]. Similarly, he alleges it constitutes the damages that arose from the termination of his "5-year non-terminable contract" [Adversary Case Docket No. 54 at ¶ 131–32]. Mr. Alam also asserts \$818,000 is the amount of his actual damages arising from fraud, fraud by nondisclosure, gross negligence/negligent misrepresentation, libel *per se*/defamation *per se*, tortious interference, aiding and abetting, conspiracy, and violations of the DTPA [Adversary Case Docket No. 54]. Not all of these alleged bases can be true simultaneously, and Mr. Alam fails to provide factual support sufficient to establish any of them, or to establish any priority, administrative, or secured status.

31. Although the Liquidating Trustee acknowledges that EDMG, LLC entered into that certain Employment Agreement, dated March 31, 2017, with Mr. Alam and Telehealth, to the extent Mr. Alam is claiming any amounts owed for wages, salaries or commissions, Mr. Alam has been paid what he was owed under the Employment Agreement—wages or otherwise—and there are no outstanding amounts due.³ To the extent that Mr. Alam has a claim at all for breach of contract, it is only a general unsecured claim and not a priority wage claim, an employee benefit claim, or a tax claim. Therefore, the Claim should be disallowed as a priority, administrative, or secured claim.

B. Mr. Alam’s Later Pleadings Should Not Be Allowed as Amendments to His Proof of Claim.

32. Mr. Alam has made several attempts to supplement or amend his Claim. To the extent that Mr. Alam has attempted to change the nature of his claim or introduce new grounds for liability after the Bar Date, the Liquidating Trustee objects, and Mr. Alam’s attempted supplements and amendments should be barred as untimely.

33. A court will allow a late amendment of a claim in order to cure a defect in the claim originally filed, but it will not allow a claimant to change the nature of their claim, especially where the amended claim introduces “wholly new grounds of liability.” *Highlands Ins. Co. v. Alliance Operating Corp. (In re Alliance Operating Corp.)*, 60 F.3d 1174, 1175 (5th Cir. 1995) (citing *U.S. (IRS) v. Kolstad (In re Kolstad)*, 928 F.2d 171, 175 (5th Cir. 1991)). For example, “[a]mendments to proofs of claim that change the nature of the claim from an unsecured status to a priority status set forth a new claim.” *See id.* (citing *In re Walls & All, Inc.*, 127 B.R. 115, 118 (W.D. Pa. 1991)). When determining whether to allow an amendment to a timely claim, a bankruptcy court should

³ Even if Mr. Alam could establish a priority wage claim, it would be subject to the \$12,850 cap, pursuant to 11 U.S.C. § 507(a)(4)(A).

consider whether it has notice of the existence, nature, and amount of the claim from the filing of the original claim. *Id.* at 1176; *Wilferth v. Faulkner*, No. 3:06-CV-510-K, 2006 U.S. Dist. LEXIS 75823, at *16 (N.D. Tex. Oct. 11, 2006) (finding that an untimely amendment to add a tortious interference claim to the creditor's original breach of contract claim was a wholly new and separate ground for liability and therefore barred).

i. *Mr. Alam's January 2, 2019 Letter to the Court*

34. In Mr. Alam's first untimely attempt to amend or supplement his Claim, he filed the Alam Letter on January 2, 2019 after the November 14, 2018 Bar Date [Docket No. 736]. The Alam Letter alleges that Setul Patel, the CEO of Neighbors Health, fraudulently induced Mr. Alam into investing \$818,000 in Telehealth [Docket No. 736 at ¶ 3]. The Alam Letter and the allegations within it are not evidence that his claim is a priority claim under sections 507(a)(4), (5), or (8) of the Bankruptcy Code. It is additionally unclear whether Mr. Alam alleges fraudulent inducement against Setul Patel individually, or in his capacity as CEO for Neighbors Health. In any event, a fraudulent inducement claim is a general unsecured claim, not a priority, administrative, or secured claim, and therefore constitutes a wholly new ground for liability barred by the Bar Date.

ii. *Mr. Alam's Confirmation Objection*

35. At the Confirmation Hearing, Mr. Alam characterized his Confirmation Objection, filed on March 20, 2019 [Docket No. 828], as a supplement to his Claim. In the Confirmation Objection, Mr. Alam alleges that his Employment Agreement creates an administrative expense claim [Docket No. 828 at ¶ 3] and that he would have claims for "fraud, inducement, breach of contract, etc." if the debtor-in-possession rejected his Employment Agreement [Docket No. 828 at ¶ 4]. Section 507(a)(2) allows administrative expense claims for, among other things, "wages, salaries, and commissions for services rendered after the commencement of the case." 11 U.S.C.

§ 503(b)(1)(i). It was established at the Confirmation Hearing by uncontroverted evidence that Mr. Alam provided no services to the Debtors postpetition, so he cannot have an administrative expense claim.

36. The assertion of an administrative expense claim under section 507(a)(2) in his Confirmation Objection is also an improper and untimely amendment of his Claim. He filed the Confirmation Objection after the Bar Date, and it introduces a wholly new ground of liability. Mr. Alam filed the Claim pursuant to 11 U.S.C. §§ 507(a)(4), (5), and (8) of the Bankruptcy Code, not section 507(a)(2). Furthermore, his allegations of “fraud, inducement, breach of contract, etc.” include evidence in support of his Claim, and they do not support a priority claim under sections 507(a)(4), (5), or (8) of the Bankruptcy Code. If anything at all, they are only untimely allegations of a general unsecured claim.

iii. *Mr. Alam’s First and Second Supplements to his Claim*

37. Mr. Alam filed two supplements to his proof of claim—his First Supplement on March 22, 2019 [Docket No. 848, duplicate No. 850] and his Second Supplement on March 25, 2019 [Docket No. 855, duplicate No. 856]. The First Supplement seems to allege that Neighbors Health breached the Contribution Agreement between itself, Telehealth, and Mr. Alam, and EDMG, LLC breached the Employment Agreement between itself, Telehealth, and Mr. Alam [Docket No. 848 at ¶ 5]. The Second Supplement alleges that the Debtors defrauded Mr. Alam [Docket No. 855 at ¶ 4]. Neither the First Supplement nor the Second Supplement support a priority claim pursuant to sections 507(a)(4), (5), or (8) of the Bankruptcy Code, nor do Mr. Alam’s allegations qualify as evidence of a claim. To the extent that Mr. Alam seeks to assert a claim on behalf of Telehealth pursuant to the Contribution Agreement or the Employment Agreement, he has neither specified as much nor does he have standing to do so. Rather, the allegations in the

First Supplement and the Second Supplement would qualify as general unsecured claims, which are new bases for liability, different from the one in the Claim, and therefore barred.

iv. *Mr. Alam's Second Amended Complaint*

38. In his Second Amended Complaint, filed on September 12, 2019, Mr. Alam seeks a nearly tenfold increase in the amount of his Claim.⁴ Mr. Alam cannot untimely amend his Claim against the Debtors through his Second Amended Complaint after the Bar Date. Mr. Alam bases his Second Amended Complaint on the same or similar theories of liability raised in his other untimely supplements and amendments, such as fraud and negligent misrepresentation, and on wholly new and unsupported theories such as tortious interference, aiding and abetting, conspiracy, defamation *per se*/libel *per se*, and violations of the Texas Deceptive Trade Practices Act. None of these claims or the multitudinous allegations in the Second Amended Complaint provides a factual basis for a priority claim under sections 507(a)(4), (5), or (8) or otherwise. As in the other attempted supplements or amendments, Mr. Alam is seeking to untimely amend his Claim to either assert a different claim or to assert entirely new and incongruous bases for his Claim.

39. Mr. Alam has failed to provide support for his Claim. His attempts to supplement the claim likewise fail to provide such support and are untimely. To the extent the Claim is not resolved by the Motion to Dismiss the Second Amended Complaint, the Liquidating Trustee respectfully requests the Court to sustain this objection and enter an order providing that Mr. Alam's Claim is disallowed as a priority, administrative or secured claim.

⁴ Mr. Alam seeks relief in the amount of a minimum \$818,000.00 in actual damages; a minimum \$500,000 for 4 years of uncompensated time; a minimum \$6 million in lost profits; general damages; special damages; damages for emotional distress, mental anguish, exemplary damages; non-attorney legal fees; and allow him to claim benefits under the Debtor Entities' D&O insurance policy [Adversary Case Docket No. 54 at ¶ 204–205].

V. CONCLUSION

40. The Liquidating Trustee respectfully requests that the Court (i) disallow Alam's Claim as a priority, administrative, or secured claim; and (ii) grant such other and further relief as may be just and proper.

Dated: Houston, Texas
December 30, 2019.

PORTER HEDGES LLP

By /s/ Eric M. English
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**COUNSEL FOR TENSIE AXTON,
LIQUIDATING TRUSTEE OF THE
NLH LIQUIDATING TRUST**

CERTIFICATE OF SERVICE

I certify that on December 30, 2019, the foregoing Answer and Objection to Claim was served via electronic mail and USPS, postage prepaid, on the party below and was also served via CM/ECF on all parties requesting notice.

Sohail Alam
7505 Fannin, Suite 300
Houston, Texas 77054
samalam2@gmail.com

/s/ Eric M. English
Eric M. English

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: NEIGHBORS LEGACY HOLDINGS, INC., et al., <p style="text-align: center;">Debtors.</p>	§ § § § § § §	Chapter 11 Case No. 18-33836 (Jointly Administered)
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**DECLARATION OF TENSIE AXTON IN SUPPORT OF LIQUIDATING TRUSTEE’S
OBJECTION TO SOHAIL ALAM’S CLAIM NO. 197**

STATE OF TEXAS §
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COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared TENSIE AXTON, known to me to be the person whose name is subscribed below, and who being duly sworn, stated the following:

1. My name is Tensie Axton and I am the Liquidating Trustee in the above-styled case with certain accounting and reporting services. I have practiced accounting for over 25 (twenty-five) years. Prior to serving as the Liquidating Trustee, beginning in December 2016, I was the Debtors’ Chief Financial Officer.

2. I am generally familiar with the Debtors’ financing arrangements, business affairs and books and records that reflect, among other things, the Debtors’ liabilities and the amounts owed to their creditors as of the Petition Date. I have reviewed the Objection to Sohail Alam’s Claim (the “Objection”) filed contemporaneously with this Affidavit.¹

3. To the best of my knowledge, information, and belief, the assertions made in the Objection are accurate.

4. On March 31, 2017, Neighbors Health and Telehealth entered into an Administrative Services Agreement. The Administrative Services Agreement provided that Neighbors Health would furnish administrative services to Telehealth, including providing, among other things, administrative services sufficient to support staffing and human resources, accounting, financial planning and forecasting, cash management, insurance administration, and executive operations management. Telehealth owes Neighbors Health no less than \$490,530.17 in unreimbursed expenses for services rendered under the Administrative Services Agreement.

¹ Capitalized terms used but not defined in this declaration shall have the meaning ascribed to them in the Objection.

5. Also on March 31, 2017, Mr. Alam entered into the Contribution Agreement with Telehealth and Neighbors Health and transferred sole legal title to a telemedicine software platform to Telehealth in exchange for 1 Class A voting share, 299 shares of Class B non-voting stock, and an employment agreement with Telehealth. On March 31, 2017, EDMG, a wholly-owned subsidiary of Neighbors Health, Telehealth, and Mr. Alam entered into the five-year Employment Agreement, pursuant to which the Mr. Alam was employed as the Executive Director of Telehealth.

6. Finally, on March 31, 2017, Telehealth and Neighbors Health entered into the Software Agreement that granted Neighbors Health a license for all the source codes of Telehealth's software products, including the right to make copies of the licensed software and documentation for backup and archival purposes. Neighbors Health also entered an intellectual property license agreement with Telehealth for the use of the Neighbors name.

7. Although EDMG entered into that certain Employment Agreement, dated March 31, 2017, with Mr. Alam and Telehealth, to the extent Mr. Alam is claiming any amounts owed for wages, salaries or commissions, Mr. Alam has been paid what he was owed under the Employment Agreement—wages or otherwise—and there are no outstanding amounts due.

8. Mr. Alam's proof of claim does not include any documents that support the conclusion that Mr. Alam holds a priority, administrative, or secured claim against the Debtors. Additionally, I have reviewed the Debtors' books and records and the Claim, as well as the supporting documentation provided by the Claimant, and have determined that the Claim should be disallowed and expunged to the extent it asserts a priority, administrative, or secured claim.

9. Failure to disallow and expunge the Claim could result in the Claimant being paid when it is not entitled to payment. As such, I believe that the disallowance and expungement of the Claim is appropriate.

10. Accordingly, I request that the Claim be disallowed and expunged.

11. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the facts set forth in the foregoing declaration are true and correct to the best of my knowledge, information, and belief.

Dated: December 30, 2019



Tensie Axton, C.P.A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

**NEIGHBORS LEGACY HOLDINGS, INC.,
et al.,**

Debtors.

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Chapter 11

Case No. 18-33836

(Jointly Administered)

**ORDER SUSTAINING LIQUIDATING TRUSTEE'S OBJECTION TO
SOHAIL ALAM'S CLAIM NO. 197**

Upon consideration of *Liquidating Trustee's Objection to Sohail Alam's Proofs of Claim No. 197* (the "Objection"), the Court concludes that good cause exists to sustain the Liquidating Trustee's Objection. It is therefore

ORDERED that Claim No. 197 filed by Sohail Alam is **DISALLOWED** as a priority claim, administrative claim, or secured claim and reclassified as a general unsecured claim, unless and until it is disallowed for any reason.

SIGNED:

**MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE**