

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re	:	Chapter 11
	:	
KABBAGE, INC. d/b/a KSERVICING, et al.,	:	Case No. 22-10951 (CTG)
	:	
Debtors.¹	:	(Jointly Administered)
	:	
	:	Response Deadline: March 7, 2023 at 4:00 p.m. (ET)

DEBTORS' FIRST NOTICE OF CLAIMS SATISFIED IN FULL

Kabbage, Inc. d/b/a KServicing and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), hereby file this notice (the “**Notice**”) identifying certain claims, as defined by section 101(5) of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), which have been fully satisfied by the Debtors (the “**Satisfied Claims**,” and such claimants, the “**Satisfied Claimants**”) as set forth on **Exhibit A** attached hereto. In support of this Notice, the Debtors respectfully state as follows:

Jurisdiction

1. The Court has jurisdiction to consider 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 is a core proceeding pursuant to 28 U.S.C. § 157(b). Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable are: Kabbage, Inc. d/b/a KServicing (3937); Kabbage Canada Holdings, LLC (N/A); Kabbage Asset Securitization LLC (N/A); Kabbage Asset Funding 2017-A LLC (4803); Kabbage Asset Funding 2019-A LLC (8973); and Kabbage Diameter, LLC (N/A). Kabbage is a trademark of American Express used under license; Kabbage, Inc. d/b/a KServicing is not affiliated with American Express. The Debtors’ mailing and service address is 925B Peachtree Street NE, Suite 383, Atlanta, GA 30309.

Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Debtors consent to the entry of a final order by the Court in connection with this Notice to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On October 3, 2022 (the “**Petition Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The Debtors are authorized to continue to operate their business as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these Chapter 11 Cases.

3. Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”), the Chapter 11 Cases are being jointly administered under the above captioned case.

4. Additional information regarding the Debtors’ businesses, capital structure, and the circumstances leading to the commencement of these Chapter 11 Cases is set forth in the *Declaration of Deborah Rieger-Paganis in Support of the Chapter 11 Petitions and First-Day Pleadings* [Docket No. 13] (the “**First Day Declaration**”).²

5. On January 19, 2023, the Debtors filed the solicitation versions of the *Amended Joint Chapter 11 Plan of Liquidation of Kabbage, Inc. (d/b/a KServicing) and its Affiliated Debtors* [Docket No. 466] (as may be amended, modified, or supplemented, the “**Plan**”)

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the First Day Declaration.

and the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of Liquidation of Kabbage, Inc. (d/b/a KServicing) and its Affiliated Debtors* [Docket No. 467] (as may be amended, modified, or supplemented, the “**Disclosure Statement**”). On January 19, 2023, the Court entered the *Order (I) Approving the Disclosure Statement of the Debtors, (II) Establishing Solicitation, Voting, and Related Procedures, (III) Scheduling Confirmation Hearing, (IV) Establishing Notice and Objection Procedures for Confirmation of Plan, (V) Approving Special Electronic Noticing Procedures, (VI) Approving Debtors’ Proposed Cure Procedures for Unexpired Leases and Executory Contracts, and (VII) Granting Related Relief* [Docket No. 470] (the “**Disclosure Statement Order**”) that, among other things, scheduled a confirmation hearing for the Plan on March 13, 2023 (the “**Confirmation Hearing**”).

6. On October 24, 2022, the Debtors filed their schedules of assets and liabilities and statements of financial affairs [Docket Nos. 144–155 & 157] (the “**Schedules and Statements**”), in accordance with Local Rule 1007-1.

7. On October 26, 2022, this Court entered the *Order (I) Establishing a General Bar Date to File Proofs of Claim, (II) Establishing a Bar Date to File Proofs of Claim by Governmental Units, (III) Establishing an Amended Schedules Bar Date, (IV) Establishing a Rejection Damages Bar Date, (V) Approving the Form and Manner for Filing Proofs of Claim, (VI) Approving the Proposed Notice of Bar Dates, (VII) Approving Procedures with Respect to Service of the Proposed Notice of Bar Dates, and (VIII) Granting Related Relief* [Docket No. 161] (the “**Bar Date Order**”). Among other things, the Bar Date Order established **November 30, 2022 at 5:00 p.m. (Prevailing Eastern Time)** as the deadline by which all entities, not including governmental units, holding claims (whether secured, unsecured priority (including claims under

section 503(b)(9) of the Bankruptcy Code), or unsecured nonpriority) against the Debtors that arose prior to the Petition Date must file proofs of claim (the “**General Bar Date**”).

8. In accordance with the Bar Date Order, Omni Agent Solutions (“**Omni**”), the Debtors’ Court-appointed claims and noticing agent, provided notice of the Bar Dates [Docket No. 169] and proof of claim forms to, among others, all of the Debtors’ creditors and other known parties in interest as of the Petition Date [Docket No. 254]. Notice of the Bar Dates was also published once in each of the national editions of *The New York Times* and *USA Today* [Docket No. 234].

9. The official claims register for the Debtors (the “**Claims Register**”), which is prepared and maintained by Omni, shows that approximately 272 proofs of claim have been filed in the Chapter 11 Cases. The Debtors, with the assistance of their advisors, are actively reviewing and reconciling the proofs of claim. The ongoing claims reconciliation process involves the collective effort of the Debtors’ management team; counsel to the Debtors, Weil, Gotshal & Manges LLP and Richards, Layton & Finger, P.A.; and the Debtors’ financial advisor, AlixPartners, LLP.

Claims Satisfied In Full

10. Following the Debtors’ diligent review of the proofs of claim, the Debtors’ books and records, and the Schedules and Statements, utilizing the advice of their advisors, the Debtors determined that the Satisfied Claims listed on **Exhibit A** have been satisfied in full.

11. The Satisfied Claims consist of claims for obligations that were asserted and due and owing as of the Petition Date, but have since been satisfied. Accordingly, the Debtors submit that all amounts due and owing to the Satisfied Claimants as of the Petition Date have been paid in full, and thus, the Debtors intend to designate the Satisfied Claims as having been satisfied in full on the Claims Register.

12. Nevertheless, out of an abundance of caution, the Debtors will serve this Notice on all Satisfied Claimants to provide them with an opportunity to file a Response (as defined below), if any, to the Debtors' determination that such claims have been fully satisfied.

Responses to this Notice

13. To dispute the determinations made by the Debtors as to the Satisfied Claims included in this Notice, a claimant must file a written response to this Notice (a **"Response"**) with the Office of the Clerk of the United States Bankruptcy Court for the District of Delaware at 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 no later than **March 7, 2023 at 4:00 p.m. (Prevailing Eastern Time)** (the **"Response Deadline"**) and, in accordance with the Local Rules, serve the Response to Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: Zachary I. Shapiro (shapiro@rlf.com) and Amanda R. Steele (steele@rlf.com); and Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Natasha S. Hwangpo (natasha.hwangpo@weil.com) and Lauren Castillo (lauren.castillo@weil.com). Each Response to this Notice must, at a minimum, contain the following information:

- i. a caption setting forth the name of the Bankruptcy Court, the name of the Debtors, the case number, and the title of the Notice to which the Response is directed;
- ii. the name of the claimant, the claim number, and a description of the basis for the amount of the claim;
- iii. the specific factual basis and supporting legal argument upon which the party will rely in opposing this Notice;
- iv. all documentation and other evidence in support of the claim, not previously filed with the Bankruptcy Court or Omni, upon which the claimant will rely in opposing this Notice; and
- v. the name, address, telephone number, fax number and/or email address of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Debtors

should communicate with respect to the claim or the Notice and who possesses authority to reconcile, settle, or otherwise resolve the objection to the claim on behalf of the claimant.

14. Upon the Debtors' receipt of a Response, the Debtors will make a good faith effort to review the relevant Satisfied Claim in light of the Response to determine whether there is a basis upon which to sustain the Satisfied Claimant's assertion that their claim has not in fact been satisfied. In the event the parties are unable to reach a resolution, the Debtors may schedule a hearing on the Satisfied Claim. The Debtors reserve the right to contest any new assertions of liability against the Debtors made by any Satisfied Claimant with respect to their Satisfied Claims or any proofs of claim they may file.

15. If a Satisfied Claimant fails to file and serve a timely Response by the Response Deadline, (i) the Satisfied Claimant is deemed to have consented to this Notice and the Debtors' determination with respect to their Satisfied Claim, as set forth herein, and (ii) Omni shall immediately, and without further notice to any party (including the Satisfied Claimant), mark such Satisfied Claim as fully satisfied on the Claims Register.

Reservation of Rights

16. The Debtors expressly reserve the right to amend, modify, or supplement this Notice and to file objections to any other claims (filed or not) that have been or may be asserted against the Debtors' estates. Notwithstanding anything contained in this Notice or the attached exhibit, nothing herein shall be construed as a waiver of any rights that the Debtors may have.

Dated: February 21, 2023
Wilmington, Delaware

/s/ Matthew P. Milana

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