

COLE SCHOTZ P.C.

Court Plaza North
25 Main Street
P.O. Box 800
Hackensack, New Jersey 07602-0800
(201) 489-3000
(201) 489-1536 Facsimile
Michael D. Sirota, Esq.
msirota@coleschotz.com
Warren A. Usatine, Esq.
wusatine@coleschotz.com
David M. Bass, Esq.
dbass@coleschotz.com
Matteo Percontino, Esq.
mpercontino@coleschotz.com

Counsel to Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

DIRECTBUY HOME IMPROVEMENT, INC.,

Debtor.¹

Chapter 11

Case No. 23-19159 (SLM)

**FIRST SUPPLEMENTAL NOTICE OF DATE BY
WHICH PARTIES MUST FILE ADMINISTRATIVE CLAIMS AND
PROCEDURES FOR FILING ADMINISTRATIVE CLAIMS AGAINST THE DEBTOR**

PLEASE TAKE NOTICE THAT the above-captioned debtor and debtor-in-possession (the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of New Jersey (the “Court”) on October 16, 2023 (the “Petition Date”).

PLEASE TAKE FURTHER NOTICE THAT on November 14, 2023 the Debtor filed the *Debtor’s Motion for Entry of an Order Establishing Bar Dates for Filing Proofs of Claim, Approving the Form and Manner for Filing Proofs of Claim, and Approving Notice Thereof* [Docket No. 207] (the “Bar Date Motion”).² On December 5, 2023, the Court entered an order approving the Bar Date Motion [Docket No. 272] (the “Bar Date Order”) and establishing certain

¹ The debtor’s last four digits of its federal tax identification number is 4292. The location of debtor’s principal place of business is 1855 W. 139th Street, Gardena, California 90249.

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

dates (collectively, the “Bar Dates” and individually, a “Bar Date”) by which parties holding claims against the Debtor must file claims.

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the Bar Date Order, the Debtor is authorized to establish supplemental bar dates (each a “Supplemental Bar Date”), without further Court approval, based on the procedures described therein.

PLEASE TAKE FURTHER NOTICE THAT, except for those holders of the claims listed below that are specifically excluded from the Bar Date submission requirements, the Supplemental Bar Date and the procedures set forth below for submitting Administrative Claims apply to all Administrative Claims against the Debtor that arose between December 1, 2023, and January 31, 2024 (the “Second Administrative Period”).

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU MAY BE HOLDING AN ADMINISTRATIVE CLAIM AGAINST THE DEBTOR IN THE ABOVE-CAPTIONED CHAPTER 11 CASE. THEREFORE, YOU SHOULD READ THIS NOTICE CAREFULLY AND DISCUSS IT WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

Background to the Debtor’s Chapter 11 Case

- 1. General Information about the Debtor’s Case.** No request for the appointment of a trustee or examiner has been made in this chapter 11 case.
- 2. Access to Claim Forms and Additional Information.** Administrative Claims are to be filed using the Administrative Claim Form (the “Administrative Claim Form”) or in a form that is substantially similar. If you have any questions regarding the claims process and/or if you wish to obtain a copy of the Bar Date Motion, the Bar Date Order (which contains a more detailed description of the requirements for filing proofs of claim), an Administrative Claim Form, or related documents (and/or any other pleadings filed in the Debtor’s chapter 11 case) you may do so by contacting the Debtor’s court-appointed claims and noticing agent Stretto, Inc. (the “Claims Agent” or “Stretto”) in writing, at DirectBuy Home Improvement, Inc. Claims Processing, c/o Stretto, 410 Exchange, Suite 100, Irvine, CA 92602 or by visiting the Debtor’s case website at <https://cases.stretto.com/DBHI/>. If you have any questions concerning the filing or processing of claims, you may contact the Claims Agent at 1-949-570-9040 (toll free) or via electronic mail at TeamDirectBuy@stretto.com.

Schedules of Assets and Liabilities

The Debtor filed its statement of financial affairs and schedules of assets and liabilities with the Court on November 20, 2023 (as amended or modified, collectively, the “Schedules”). The Debtor’s Schedules and the Bar Date Order are also available, free of charge, at <https://cases.stretto.com/DBHI/>.

The Supplemental Bar Date

The Debtor has established the following Supplemental Bar Date as the date by which parties holding Administrative Claims against the Debtor that arose during the Second Administrative Period, i.e., between December 1, 2023, and January 31, 2024, must file an Administrative Claim so that they are actually received by the Claims Agent:

**Supplemental
Administrative Bar
Date:**

February 24, 2024 (the “Supplemental Administrative Bar Date”) is the deadline for all persons and entities holding an Administrative Claim (any right to payment constituting a cost or expense of administration of the Debtor’s chapter 11 case (except as otherwise provided herein) arising under Bankruptcy Code sections 503(b) (with the exception of any claims arising under Bankruptcy Code section 503(b)(9)) and 507(a)(2) against the Debtor) arising between December 1, 2023 and January 31, 2024 to file such claim; *provided, however*, that the Debtor’s Utility Providers (as that term is defined in the *Debtor’s Motion for Entry of Interim and Final Orders (I) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Services, (II) Determining Adequate Assurance of Payment for Future Utility Services, (III) Establishing Procedures for Determining Adequate Assurance of Payment, (IV) Authorizing the Payment of Prepetition Administrative Fees Relating to Utility Services, and (V) Granting Related Relief* [Docket No. 6]) and governmental units shall not be bound by the Supplemental Administrative Bar Date.

Parties Required to File Administrative Claims

1. Definition of Claim. Under Bankruptcy Code section 101(5) and as used herein, the word “claim” means: (i) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (ii) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. An Administrative Claim is a Claim of the kind described in Bankruptcy Code section 503(b)(1), (2), (3), (4), (5), (6), (7), and (8). Administrative Claims are given priority status pursuant to Bankruptcy Code section 507(a)(2), which means that they are paid before general unsecured claims.

2. Parties Who Must File Administrative Claims. All Persons or Entities holding an Administrative Claim against the Debtor (except as otherwise provided herein and excepting

Utility Providers and governmental units) that arose (or are deemed to have arisen) between the December 1, 2023, and January 31, 2024, must file an Administrative Claim on or before the Supplemental Administrative Bar Date.

3. Parties Who Do Not Need To File Proofs of Claim. Certain parties are not required to file proofs of claim. The Court may, however, enter one or more separate orders at a later time requiring holders of Administrative Claims to file proofs of claim for some kinds of the following claims and setting related deadlines. If the Court does enter such an order, you will receive notice of it. The following Persons or Entities whose claims otherwise would be subject to Supplemental Administrative Bar Date need not file a claim:

- (a) any Person or Entity that already has filed an Administrative Claim relating to the Second Administrative Period against the Debtor with the Clerk of the Court or with the Debtor's claims and noticing agent, Stretto, Inc. ("Stretto" or the "Claims Agent") in a form substantially similar to the Administrative Claim Form;
- (b) any Person or Entity whose claim has previously been allowed by order of the Court;
- (c) any Person or Entity whose claim has been paid in full by the Debtor pursuant to the Bankruptcy Code or in accordance with an order of the Court or otherwise paid in full by the Debtor or any other party;
- (d) a current employee of the Debtor, if an order of the Court authorized the Debtor to honor such claim in the ordinary course of business as a wage or benefit;
- (e) claims of professionals retained by the Debtor or the Committee pursuant to orders of the Court who assert administrative claims for fees and expenses subject to the Court's approval pursuant to Bankruptcy Code sections 327, 328, 330, 331, 363 and 503(b) or 28 U.S.C. § 156(c) (collectively, the "Professional Claims");
- (f) claims held by a current officer or director for indemnification, contribution, or reimbursement;
- (g) any Person or Entity that is exempt from filing a proof of claim pursuant to an order of the Court in this chapter 11 case;
- (h) claims held by any Person or Entity solely against a non-Debtor entity;
- (i) expenses of members of the Committee to the extent such claims are related to their service on the Committee;
- (j) ZG Lending SPV, LLC, in its capacity as pre-petition secured lender and DIP Lender (as defined in the order authorizing the Debtor's postpetition financing and use of cash collateral); and
- (k) any Person or Entity holding a Claim payable to the Court or the United States Trustee Program pursuant to 28 U.S.C. § 1930; including, for the avoidance of

doubt, any Administrative Claims asserted by the U.S. Trustee for statutory fees required to be paid by the Debtor.

NOTHING IN THIS NOTICE SHALL EXTEND OR BE DEEMED TO EXTEND ANY BAR DATES PREVIOUSLY FIXED BY THE COURT, INCLUDING THE BAR DATES FIXED IN THE BAR DATE ORDER FOR THE FILING OF ADMINISTRATIVE CLAIMS INCURRED BETWEEN THE PETITION DATE AND NOVEMBER 30, 2023, OR FOR FILING OF GENERAL CLAIMS, INCLUDING 503(B)(9) CLAIMS.

Instructions for Filing Proofs of Claim

1. Contents of Proofs of Claim. Each Administrative Claim Form must (i) be written in English; (ii) include a claim amount denominated in United States dollars; (iii) conform substantially with the Administrative Claim Form; and (iv) be signed by the holder of the claim or by an authorized agent or legal representative of the holder of the claim. Each original claim form must be submitted prior to the Supplemental Administrative Bar Date (photocopies, telecopies, or facsimiles will not be accepted).

Claim Forms that the Debtor is serving on known creditors will each contain the name of the Debtor and case number at the top of the first page. If the claimant is not using the Administrative Claim Form supplied by the Debtor, the creditor must provide the name of the Debtor and the corresponding case number.

2. Supporting Documentation. Each claim must include supporting documentation in accordance with Bankruptcy Rules 3001(c) and 3001(d) (or, upon prior written consent of the Debtor's counsel, if such documentation is voluminous, include a summary of such documentation) or an explanation as to why such documentation is not available; provided, however, that, upon the request for additional documentation, any such creditor that received such request shall be required to transmit such written documentation no later than five (5) business days following the date of such request.

3. Timely Service. Each Administrative Claim Form, including supporting documentation, must be submitted: (i) on or before the Supplemental Administrative Bar Date, by completing the Administrative Claim Form, copies of which can be accessed at the Claims Agent's website <https://cases.stretto.com/DBHI/> and following the directions given therein; or (ii) in person, by courier service, overnight delivery, hand delivery, or United States mail, so as to be actually received by the Claims Agent on or before the Supplemental Administrative Bar Date at the following address:

DirectBuy Home Improvement, Inc. Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602

EXCEPT AS EXPRESSLY PERMITTED ABOVE, A CLAIM FORM OTHERWISE SUBMITTED BY FACSIMILE, TELECOPY, ELECTRONIC MAIL, OR OTHER FORM OF ELECTRONIC SUBMISSION WILL NOT BE ACCEPTED.

4. Receipt of Service. Holders of claims wishing to receive acknowledgment that their proofs of claim were received by the Claims Agent must submit (i) a copy of the proof of claim and (ii) a self-addressed, stamped envelope.

Consequences of Failing to Timely File Your Claim

Pursuant to the Bar Date Order and in accordance with Bankruptcy Rule 3003(c)(2), if you or any party or entity who is required, but fails, to file a proof of claim in accordance with the Bar Date Order on or before the Supplemental Administrative Bar Date, please be advised that **YOU (A) SHALL, EXCEPT AS OTHERWISE AUTHORIZED BY ORDER OF THE COURT, BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM ASSERTING SUCH CLAIM AGAINST THE DEBTOR (OR FILING A PROOF OF CLAIM WITH RESPECT THERETO) AND, MOREOVER, THE DEBTOR SHALL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO OR ARISING FROM SUCH CLAIM; (B) SHALL BE PROHIBITED FROM VOTING TO ACCEPT OR REJECT ANY CHAPTER 11 PLAN FILED IN THIS CHAPTER 11 CASE; AND (C) SHALL BE PROHIBITED FROM PARTICIPATING IN ANY DISTRIBUTION IN THIS CHAPTER 11 CASE ON ACCOUNT OF SUCH CLAIM.**

Reservation of Rights

Nothing contained in this notice is intended to or should be construed as a waiver of the Debtor's or any successors' rights to: (a) dispute, or assert offsets or defenses against, any filed claim or any claim listed or reflected in the Schedules as to the nature, amount, liability, classification, characterization or validity thereof; (b) subsequently designate any scheduled claim as disputed, contingent or unliquidated; and (c) otherwise amend or supplement the Schedules.

If you have any questions relating to this Notice, contact the Claims Agent at 1-949-570-9040 (toll free) or via electronic mail at TeamDirectBuy@stretto.com.

NEITHER THE ATTORNEYS FOR THE DEBTOR NOR THE CLAIMS AGENT IS AUTHORIZED TO PROVIDE YOU WITH LEGAL ADVICE.

DATED: January 22, 2024

Respectfully submitted,

COLE SCHOTZ P.C.

By: /s/ Michael D. Sirota

Michael D. Sirota, Esq.

Warren A. Usatine, Esq.

David M. Bass, Esq.

Matteo Percontino, Esq.

Court Plaza North

25 Main Street

Hackensack, NJ 07601

(201) 489-3000

(201) 489-1536 Facsimile

Email: msirota@coleschotz.com

wusatine@coleschotz.com

dbass@coleschotz.com

mpercontino@coleschotz.com

Counsel to the Debtor and Debtor in Possession