

SUBSTANTIVE RIGHTS MAY BE AFFECTED BY THIS OBJECTION. CLAIMANTS RECEIVING THIS OBJECTION SHOULD REVIEW IT TO SEE IF THEIR NAMES APPEAR ON THE EXHIBIT ATTACHED HERETO TO DETERMINE WHETHER THE OBJECTION AFFECTS THEIR CLAIMS. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT TRUSTEE'S COUNSEL, SCOTT ZILUCK AT 212-765-9100 EXT. 130 OR BY EMAIL SZILUCK@HALPERINLAW.NET

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

In re:

INSYS THERAPEUTICS, INC., *et al.*,

Liquidating Debtors.¹

Chapter 11

Case No. 19-11292 (JTD)

(Jointly Administered)

**Hearing Date: March 30, 2022 at 11:00
a.m. (ET)**

**Objection Deadline: March 23, 2022 at
4:00 p.m. (ET)**

**TWENTIETH OMNIBUS OBJECTION OF THE TRUSTEE OF
THE INSYS LIQUIDATION TRUST TO CLAIMS (SUBSTANTIVE)
(Misclassified and No Liability Claims)**

William Henrich, in his capacity as liquidating trustee (the "Trustee") of the Insys Liquidation Trust (the "Liquidation Trust"), as successor in interest to the above-captioned debtors and debtors in possession (collectively, the "Debtors"), hereby files this Twentieth Omnibus Objection (the "Objection"), pursuant to §§ 105(a) and 502 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 3007(d) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), seeking entry of an order, substantially in the form attached hereto as **Exhibit A** (the

¹ The Liquidating Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Insys Therapeutics, Inc. (7886); IC Operations, LLC (9659), Insys Development Company, Inc. (3020); Insys Manufacturing, LLC (0789); Insys Pharma, Inc. (9410); IPSC, LLC (6577); and IPT 355, LLC (0155).

“Proposed Order”): (1) reclassifying certain claims identified on **Exhibit 1** attached to the Proposed Order as solely general unsecured Class 4 claims as reflected thereon (the “Misclassified Claims”); and (2) disallowing and expunging certain claims identified on **Exhibit 2** attached to the Proposed Order (the “No Liability Claims” and with the Misclassified Claims, the “Claims”). In support of this Objection, the Trustee submits the *Declaration of Edward A. Phillips Pursuant to 28 U.S.C. § 1746 and Local Rule 3007-1 in Support of the Twentieth Omnibus Objection of the Liquidating Trustee of the Insys Liquidation Trust to Claims (Substantive)* (the “Phillips Declaration”) attached hereto as **Exhibit B**. In further support of this Objection, the Trustee respectfully represents as follows:

BACKGROUND

1. On June 10, 2019 (the “Petition Date”), the Debtors each commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”).
2. On June 11, 2019, this Court entered an order authorizing and approving the retention of Epiq Corporate Restructuring, LLC as claims and noticing agent in these Chapter 11 Cases (the “Agent”) [Docket No. 48].
3. On June 20, 2019, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors in these Chapter 11 Cases (the “Committee”). No trustee or examiner has been appointed in these Chapter 11 Cases.
4. In the ordinary course of business pre-petition, the Debtors maintained books and records that reflected the nature and amounts of the Debtors’ obligations to creditors, as well as payments made on account of such obligation (the “Books and Records”).

5. On July 30, 2019, each of the Debtors filed with this Court its *Schedule of Assets and Liabilities* [Docket Nos. 363, 365, 367, 369, 371, 373, and 375] (the “Schedules”).

6. On January 16, 2020, this Court entered an order [Docket No. 1115] (the “Confirmation Order”) confirming the *Second Amended Joint Chapter 11 Plan of Liquidation of Insys Therapeutics, Inc. and Its Affiliated Debtors* (the “Plan”) in the Chapter 11 Cases. As provided for in the Confirmation Order, all assets and liabilities of the Debtors were substantively consolidated and substantive consolidation would be implemented for distribution purposes in accordance with the Plan (the “Substantive Consolidation”).

7. On February 18, 2020 (the “Effective Date”), the Plan became effective in accordance with its terms and, in accordance with the Plan, Confirmation Order and that certain *Trust Agreement for Insys Liquidation Trust* (the “Trust Agreement”), certain assets² of the Debtors existing as of such date were transferred to and became vested in the Liquidation Trust, and William Henrich was appointed the Trustee of the Liquidation Trust.

8. In accordance with the Plan and the Trust Agreement, from and after the Effective Date, objections to various claims³ may be prosecuted by the Trustee. *See e.g.*, Section 7.1 of the Plan.

9. Pursuant to an order dated July 15, 2019 (the “Bar Date Order”), [Docket No. 294], this Court established the following deadlines: (a) September 16, 2019 as the last day for non-governmental entities to file pre-petition claims against the Debtors and their estates (the “General Bar Date”); (b) December 9, 2019 as the last day for governmental entities and Native

² These assets include all assets of the Debtors other than (i) the VRT Operating Reserve, (ii) the Products Liability Insurance Rights, and (iii) any Interests held by Liquidating Debtors in other Liquidating Debtors, as defined in the Plan.

³ Other than Personal Injury Claims, which are the purview of the VRT Trustee.

American tribes to file pre-petition claims against the Debtors and their estates (the “Government Bar Date”)⁴; and (c) October 24, 2019 as the last day to file administrative claims arising between the Petition Date and September 9, 2019, excluding professional claims and claims asserting administrative priority and arising out of the ordinary course of business after the Petition Date (together with the General Bar Date and the Government Bar Date, the “Bar Dates”).

10. In accordance with the Bar Date Order, the Agent served a Notice of Bar Dates and the related documents and forms as evidence by the affidavits of service filed with this Court (the “Bar Date AOS”) [Docket Nos. 315, 406, 504, 587, 713, 821, and 887]. Additionally, in accordance with the Bar Date Order, the Debtors published notice of the Bar Dates once in the national editions of the New York Times and USA Today, and once in the following publications: Memphis Commercial Appeal, Indianapolis Star, Florida Times Union (Jacksonville), Las Vegas Review Journal Sun, Saginaw News, Arizona Republic, Dallas Morning News, Miami Herald, Los Angeles Times, and San Antonio Express News (the “Publication Notices”).

11. Pursuant to the Confirmation Order and the Plan, the deadline to object to claims (other than Administrative Claims) is one-hundred eighty (180) days following the later of the (a) Effective Date and (b) the date that a proof of claim is filed or amended or on such later date as fixed by this Court. *See* Section 7.1 of the Plan. Additionally, under the Plan, objections to Administrative Claims are to be filed no later than one hundred-twenty (120) days after the Effective Date, or such other date may be fixed by the Bankruptcy Court. *See* Section 2.2 of the Plan. By the most order dated May 14, 2021, the deadline to object to all claims was extended

⁴ The Government Bar Date was later extended to January 31, 2020 to any State pursuant to the *Order Approving Stipulation By and Between the Debtors, the Official Committee of Unsecured Creditors, and Certain States Regarding Extending the Bar Date* [Docket No. 948].

through and including January 28, 2022 [Docket No. 1661]. By further order, the deadline to object to all claims was extended through and including January 27, 2023 [Docket No. 1775].

JURISDICTION AND VENUE

12. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

13. By this Objection, and for the reasons set forth more fully below, the Trustee objects to the Claims pursuant to §§ 105(a) and 502 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9014, and Local Rule 3007-1 and requests entry of the Proposed Order reclassifying and/or disallowing and expunging each of the Claims as reflected in **Exhibits 1 and 2** to the Proposed Order.

OBJECTION TO CLAIMS

14. As set forth in the Declaration, the Trustee's professionals examined proofs of claim filed against the Debtors, all supporting documentation provided by the claimants, if any, and the Books and Records and have identified certain Claims that can be identified as Misclassified or No Liability Claims.

15. Pursuant to § 502 of the Bankruptcy Code, “[a] claim or interest, proof of which is filed under 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest...objects.” U.S.C. § 502(a).

16. When asserting a proof of claim against a bankruptcy estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the claimant. *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992); *Matter of Int’l Match Corp.*, 69

F.2d 73, 76 (2d Cir. 1934) (finding that a proof of claim should at least allege facts from which legal liability can be seen to exist). Where a claimant alleges sufficient facts to support its claim, its claim is afforded prima facie validity. *In re Allegheny Int'l, Inc.*, 954 F.2d at 173. A party wishing to dispute such a claim must produce evidence in sufficient force to negate the claim's prima facie validity. *Id.* In practice, the objecting party must produce evidence that would refute at least one of the allegations essential to the claim's legal sufficiency. *Id.* Once the objecting party produces such evidence, the burden shifts back to the claimant to prove the validity of his or her claim by a preponderance of the evidence. *Id.* The burden of persuasion is always on the claimant. *Id.*

A. Misclassified Claim

17. The Trustee objects to the Misclassified Claims identified on **Exhibit 1** to the Proposed Order as they improperly assert priority claims under 507(a)(4) and (10) of the Bankruptcy Code. Based on the Trustee and his professionals' review of the proofs of claim filed for the Misclassified Claims, they have determined that these claims fail to provide a sufficient basis for the asserted priority status and are not supported under the Bankruptcy Code and/or the Plan. Thus, by this Objection, the Trustee seeks to reclassify the Misclassified Claims pursuant to §§ 105(a) and 502 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9014, and Local Rule 3007-1, solely as general unsecured claims (falling within Class 4, as delineated in the Plan).

18. The Trustee expressly reserves the right to further object to the Misclassified Claims on other bases in accordance with Local Rule 3007-1(f)(iii).

B. No Liability Claims

19. The Trustee objects to the No Liability Claims listed in **Exhibit 2** to the Proposed Order as they consist of claims which have no basis in fact or law which would support the liability asserted. Based on the Trustee and his professionals' review of the proofs of claim and supporting documentation, if any, provided by the claimant, as well as the Books and Records, there is no basis for liability.

20. Therefore, the Trustee objects to the No Liability Claims and seeks an order disallowing and expunging these claims in their entirety as reflected in **Exhibit 2** to the Proposed Order. The basis for each disallowance is set forth in **Exhibit 2** to the Proposed Order under the column "Reason for Disallowance".

21. Failure to disallow the No Liability Claims will result in the holders of such claims receiving a recovery that they are not entitled to from the Liquidation Trust.

RESPONSES TO OBJECTION

22. **Filing and Service of Responses.** To contest this Objection, a holder of a Claim must file and serve a written response to this Objection (a "**Response**") so that it is received no later than 4:00 p.m. (Eastern Time) on March 23, 2022 (the "**Response Deadline**"). Claimants should read the Proposed Order and Exhibits attached carefully.

23. Every Response should be filed with the Office of the Clerk, United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801; and served upon the following, so that the Response is received no later than the Response Deadline at the following addresses:

HALPERIN BATTAGLIA BENZIJA, LLP
Scott A. Ziluck
Ligee Gu
40 Wall Street, 37th Floor
New York, NY 10005
sziluck@halperinlaw.net
lgu@halperinlaw.net

-and-

MORRIS, NICOLS, ARSHT & TUNNELL LLP
Matthew O. Talmo
1201 North Market Street
PO Box 1347
Wilmington, DE 19899
mtalmo@morrisnichols.com

24. Content of Responses. Every Response to this Objection must contain, at a minimum, the following:

- (a) a caption setting forth the name of the Court, the name of the Debtor, the case number and the title of this Objection to which the Response is directed;
- (b) the name of the claimant and description of the basis for the amount of the disputed claim;
- (c) a concise statement setting forth the reasons why the relief in this Objection should not be granted, including, but not limited to, the specific factual and legal bases upon which the claimant relies in opposing this Objection;
- (d) all documentation or other evidence supporting the disputed claim not previously filed with the Bankruptcy Court or the Agent, upon which the claimant relies in opposing this Objection; and
- (e) the name, address, telephone number, email and fax number of the person(s) (which may be the claimant or a legal representative thereof) to whom counsel for the Trustee should serve a reply, if any, to the Response and who possesses authority to reconcile, settle or otherwise resolve the objection to the claim on behalf of the claimant.

25. Timely Response Required. If a claimant fails to file and serve a timely Response, then without further notice to the claimant or a hearing, the Trustee will present to the Court an order, substantially in the form of the order attached hereto.

NOTICE

26. A copy of this Objection and all related exhibits will be served on (i) the Office of the United States Trustee for the District of Delaware; (ii) each holder of the Claims subject to this Objection; and (iii) other parties entitled to notice under the Plan and Bankruptcy Rule 2002. The Trustee respectfully submits that no further notice of this Objection is required.

27. Pursuant to Bankruptcy Rule 3007, the Trustee has provided all claimants affected by this Objection with at least thirty (30) days' notice of the hearing to consider this Objection.

NO PRIOR REQUEST

28. No previous request for the relief sought herein has been made to this or any other Court.

STATEMENT OF COMPLIANCE WITH LOCAL RULE 3007-1

29. To the extent that a response is filed regarding any Claim listed in this Objection and the Trustee is unable to resolve the response, each such Claim, and the objection by the Liquidation Trust to each such Claim asserted herein, shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court regarding an objection asserted in the Objection shall be deemed a separate order with respect to each Claim.

RESERVATION OF RIGHTS

30. The Trustee hereby reserves the right to object in the future to any of the claims listed in this Objection on any ground in accordance with Local Rule 3007-1, and to amend, modify, and/or supplement this Objection, including, without limitation, to object to amended or newly filed Proofs of Claim. Separate notice and hearing may be scheduled for any such objection.

WHEREFORE the Trustee respectfully requests entry of an order substantially in the form of the Proposed Order attached hereto as **Exhibit A** granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: February 28, 2022

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Matthew O. Talmo

Derek C. Abbott (No. 3376)
Matthew O. Talmo (No. 6333)
1201 N. Market Street, 16th Floor
P.O. Box 1347
Wilmington, DE 19899-1347
Telephone: (302) 658-9200
Facsimile: (302) 658-3989
dabbott@morrisonichols.com
mtalmo@morrisonichols.com

-and-

HALPERIN BATTAGLIA BENZIJA, LLP

Alan D. Halperin
Scott A. Ziluck
Ligee Gu
40 Wall Street, 37th Floor
New York, NY 10005
Telephone: (212) 765-9100
Facsimile: (212) 765-0964
ahalperin@halperinlaw.net
sziluck@halperinlaw.net
lgu@halperinlaw.net

*Counsel to the Trustee of the Insys
Liquidation*

SUBSTANTIVE RIGHTS MAY BE AFFECTED BY THE OBJECTION. CLAIMANTS RECEIVING THE OBJECTION SHOULD REVIEW IT TO SEE IF THEIR NAMES APPEAR ON THE EXHIBIT ATTACHED THERETO TO DETERMINE WHETHER THE OBJECTION AFFECTS THEIR CLAIMS. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT TRUSTEE'S COUNSEL, SCOTT ZILUCK AT 212-765-9100 EXT. 130 OR BY EMAIL SZILUCK@HALPERINLAW.NET

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

In re:

INSYS THERAPEUTICS, INC., *et al.*,

Liquidating Debtors.¹

Chapter 11

Case No. 19-11292 (JTD)

(Jointly Administered)

**Hearing Date: March 30, 2022 at 11:00
a.m. (ET)**

**Objection Deadline: March 23, 2022 at
4:00 p.m. (ET)**

**NOTICE OF TWENTIETH OMNIBUS OBJECTION OF THE TRUSTEE OF
THE INSYS LIQUIDATION TRUST TO CLAIMS (SUBSTANTIVE)**
(Misclassified and No Liability Claims)

PLEASE TAKE NOTICE that today, William Henrich, in his capacity as liquidating trustee (the "Trustee") of the Insys Liquidation Trust (the "Liquidation Trust"), filed the *Twentieth Omnibus Objection of the Trustee of The Insys Liquidation Trust to Claims (Substantive) (Misclassified and No Liability Claims)* (the "Objection").

PLEASE TAKE FURTHER NOTICE that to contest this Objection, a holder of a Claim must file and serve a written response to this Objection (a "Response") so that it is received no later than **4:00 p.m. (Eastern Time) on March 23, 2022** (the "Response Deadline"). Claimants should read the Proposed Order and Exhibits attached carefully.

PLEASE TAKE FURTHER NOTICE THAT only responses made in writing and timely filed and received, in accordance with the procedures above, will be considered by the Bankruptcy Court at such hearing.

¹ The Liquidating Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Insys Therapeutics, Inc. (7886); IC Operations, LLC (9659), Insys Development Company, Inc. (3020); Insys Manufacturing, LLC (0789); Insys Pharma, Inc. (9410); IPSC, LLC (6577); and IPT 355, LLC (0155).

PLEASE TAKE FURTHER NOTICE THAT every Response should be filed with the Office of the Clerk, United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801; and served upon the following, so that the Response is received no later than the Response Deadline at the following addresses:

HALPERIN BATTAGLIA BENZIJA, LLP
Scott A. Ziluck
40 Wall Street, 37th Floor
New York, NY 10005
sziluck@halperinlaw.net

-and-

MORRIS, NICOLS, ARSHT & TUNNELL LLP
Matthew O. Talmo
1201 North Market Street
PO Box 1347
Wilmington, DE 19899
mtalmo@morrisonichols.com

Content of Responses. Every Response to this Objection must contain, at a minimum, the following:

- (a) a caption setting forth the name of the Court, the name of the Debtor, the case number and the title of this Objection to which the Response is directed;
- (b) the name of the claimant and description of the basis for the amount of the disputed claim;
- (c) a concise statement setting forth the reasons why the relief in this Objection should not be granted, including, but not limited to, the specific factual and legal bases upon which the claimant relies in opposing this Objection;
- (d) all documentation or other evidence supporting the disputed Claim not previously filed with the Bankruptcy Court or the Agent, upon which the claimant relies in opposing this Objection; and
- (e) the name, address, telephone number, email and fax number of the person(s) (which may be the claimant or a legal representative thereof) to whom counsel for the Trustee should serve a reply, if any, to the Response and who possesses authority to reconcile, settle or otherwise resolve the objection to the Claim on behalf of the claimant.

Timely Response Required. If a claimant fails to file and serve a timely Response, then without further notice to the claimant or a hearing, the Trustee will present to the Court an order, substantially in the form of the order attached hereto. **IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.**

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE OBJECTION WILL BE HELD ON **MARCH 30, 2022 at 11:00 a.m. (ET)** VIA VIDEOCONFERENCE BEFORE THE HONORABLE JOHN T. DORSEY OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE.

Dated: February 28, 2022

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Matthew O. Talmo

Derek C. Abbott (No. 3376)
Matthew O. Talmo (No. 6333)
1201 N. Market Street, 16th Floor
P.O. Box 1347
Wilmington, DE 19899-1347
Telephone: (302) 658-9200
Facsimile: (302) 658-3989
dabbott@morrисnichols.com
mtalmo@morrисnichols.com

-and-

**HALPERIN BATTAGLIA BENZIJA,
LLP**

Alan D. Halperin
Scott A. Ziluck
Ligee Gu
40 Wall Street, 37th Floor
New York, NY 10005
Telephone: (212) 765-9100
Facsimile: (212) 765-0964
ahalperin@halperinlaw.net
sziluck@halperinlaw.net
lgu@halperinlaw.net

*Counsel to the Trustee of the Insys
Liquidation Trust*

Exhibit A

PROPOSED ORDER

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

In re:

INSYS THERAPEUTICS, INC., *et al.*,

Liquidating Debtors.¹

Chapter 11

Case No. 19-11292 (JTD)

(Jointly Administered)

Re: D.I. _____

**ORDER GRANTING TWENTIETH OMNIBUS OBJECTION OF THE TRUSTEE OF
THE INSYS LIQUIDATION TRUST TO CLAIMS (SUBSTANTIVE)**
(Misclassified and No Liability Claims)

Upon the *Twentieth Omnibus Objection of the Trustee of the Insys Liquidation Trust to Claims* (the “Objection”) for entry of an order reclassifying the claims set forth on Exhibit 1, and disallowing and expunging the claims set forth on Exhibit 2 hereto (each a “Claim” and collectively, the “Claims”), all as more fully set forth in the Objection; and upon the *Declaration of Edward A. Phillips Pursuant to 28 U.S.C. § 1746 and Local Rule 3007-1 in Support of the Twentieth Omnibus Objection of the Trustee of the Insys Liquidation Trust to Claims* filed contemporaneously with the Objection and in support thereof; and this Court having jurisdiction to consider the Objection and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Objection and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Objection having been provided, and no other or further notice being required; and the Court having considered all responses to the Objection, if any, and all such responses having been either overruled or withdrawn; and

¹ The Liquidating Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Insys Therapeutics, Inc. (7886); IC Operations, LLC (9659), Insys Development Company, Inc. (3020); Insys Manufacturing, LLC (0789); Insys Pharma, Inc. (9410); IPSC, LLC (6577); and IPT 355, LLC (0155).

upon all proceedings had before the Court; and the Court having determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and

This Court having **FOUND AND DETERMINED THAT:**

A. The holders of the Claims listed on **Exhibits 1 and 2** attached hereto were properly and timely served with a copy of the Objection and all of its accompanying exhibits and notice of a hearing on the Objection and response deadline,

B. Any entity known to have an interest in the Claims subject to the Objection has been afforded reasonable opportunity to respond to, or be heard regarding, the relief requested in the Objection, and

C. The relief requested in the Objection is in the best interests of the Liquidation Trust, its beneficiaries, the Debtors, their estates, their creditors, and other parties in interest; And after due deliberation and sufficient cause appearing therefor,

IT IS THEREFORE ORDERED THAT:

1. The Objection is **GRANTED**.
2. The Claims listed on **Exhibit 1** attached hereto are hereby reclassified as general unsecured claims as reflected on the exhibit.
3. The Claims listed on **Exhibit 2** attached hereto are hereby disallowed and expunged in their entirety.
4. Epiq Corporate Restructuring, LLC is authorized and directed to reclassify the Claims listed on **Exhibit 1** to general unsecured claims; and disallow and expunge the Claims listed on **Exhibit 2** on the official claims registry pursuant to this Order and to make other changes to the official claims registry as necessary to reflect the terms of this Order.
5. Each Claim addressed in the Objection constitutes a separate contested matter as

contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each Claim. Any stay of this Order pending appeal by any of the claimants whose Claims are subject to this Order shall apply only to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to other contested matters covered hereby.

6. Nothing contained in the Objection or this Order is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors or its estates, (ii) waiver of rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of rights under Bankruptcy Code or any applicable non-bankruptcy law, (iv) an agreement or obligation to pay any claims, or (v) a waiver of any claims or causes of action which may exist against any creditor or interest holder.

7. Nothing in the Objection or this Order shall be construed as an allowance of any Claim.

8. The Trustee's rights to amend, modify, or supplement the Objection, to file additional objections to the Claims, any other claims (filed or not) which have or may be asserted against the Debtors or their estates, and to seek further reduction of any Claim, are preserved. Additionally, should the grounds of objection stated in the Objection be dismissed, the Trustee's right to object on other stated grounds or any other grounds that the Trustee discovers during the pendency of these cases are further preserved.

9. This Court shall retain jurisdiction to hear and determine all matters arising from the interpretation and/or implementation of this Order.

Twentieth Omnibus Claims Objection

Exhibit 1 - Misclassified Claims

Name of Claimant	Claim No.	Debtor	Asserted Claim Amount(s)	Asserted Classification Status	Modified Amount and Classification Status	Reason for Reclassification
KEYSTONE BIOANALYTICAL INC	10529	Insys Therapeutics, Inc.	\$223,604.00	11 U.S.C. 507(a)(10) Priority	\$223,604.00 General Unsecured	Claimant incorrectly asserts a claim under 11 U.S.C. 507(a)(10) but does not qualify under the statute. Therefore, such claim shall be reclassified to a general unsecured claim. See objection for more details.
SHEU, LIEN-LUNG	10265	Insys Therapeutics, Inc.	(1) \$13,650.00 (2) \$66,521.50	(1) 11 U.S.C. 507(4) Priority (2) General Unsecured	\$80,171.50 General Unsecured	Claimant incorrectly asserts a claim under 11 U.S.C. 507(a)(4) but does not qualify under the statute. Therefore, such claim shall be reclassified to a general unsecured claim. See objection for more details.

Name of Claimant	Claim No./Schedule No.	Debtor	Asserted Claim Amount(s)	Asserted Classification Status	Reason for Disallowance
ABC LLC	343	Insys Therapeutics, Inc.	\$1,000,000.00	General Unsecured	Claimant asserts a general unsecured claim premised upon recovery of "relator share" of recovery in False Claims Act case. Relators recovery from Insys was paid out of settlement between Insys and the US Department of Justice. Therefore, there is no remaining liability for this claim.
CHRISTOPHER CONNERS	341	Insys Therapeutics, Inc.	\$1,000,000.00	General Unsecured	Claimant asserts a general unsecured claim premised upon recovery of "relator share" of recovery in False Claims Act case. Relators recovery from Insys was paid out of settlement between Insys and the US Department of Justice. Therefore, there is no remaining liability for this claim.
CT DEPARTMENT OF REVENUE SERVICES	12156	IC Operations, LLC	(1) \$2,020.00 (2) 100.00	(1) Priority; and (2) General Unsecured	Claimant asserts a priority tax claim and a general unsecured claim for withholding taxes for the periods ending in March 2019 and June 2019. During such time periods, there were no employees in the State of Connecticut. Therefore, there is no tax liability for this claim.
CT DEPARTMENT OF REVENUE SERVICES	12157	Insys Pharma, Inc.	1,772..00	General Unsecured	Claimant asserts a claim for corporation taxes for the years 2012 through 2015. There was no nexus between the Debtor and the State of Connecticut during this time period. Therefore there is no tax liability for this claim.
DEPT OF TREASURY- IRS	23	IPSC, LLC	\$20,742.96	Priority	Claimant asserts a priority tax claim for WT-FICA for the period ending in June 30, 2019, in which the Debtor was not in operations during this time period. Therefore, there is no tax liability for this claim.

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

In re:

INSYS THERAPEUTICS, INC., *et al.*,

Liquidating Debtors.¹

Chapter 11

Case No. 19-11292 (JTD)

(Jointly Administered)

**DECLARATION OF EDWARD A. PHILLIPS PURSUANT TO 28 U.S.C. § 1746 AND
LOCAL RULE 3007-1 IN SUPPORT OF TWENTIETH OMNIBUS OBJECTION OF THE
TRUSTEE OF THE INSYS LIQUIDATION TRUST TO CLAIM (SUBSTANTIVE)
(Misclassified and No Liability Claims)**

I, Edward A. Phillips, under penalty of perjury hereby declare as follows:

1. I am Managing Director of Getzler Henrich & Associates LLC (“Getzler Henrich”).

My professional credentials include: Certified Turnaround Professional; Certified Insolvency & Restructuring Advisor; Certified Fraud Examiner; Certified in Financial Forensics; and Certified Public Account. I have more than 25 years of experience in finding solutions to problems in restructuring, insolvency, liquidation, and forensic accounting matters. I have advised a variety of parties and functioned in numerous roles in bankruptcy proceedings, out-of-court restructurings, forensic accounting engagements and post-confirmation engagements.

2. I submit this declaration in support of the *Twentieth Omnibus Objection of the Trustee of the Insys Liquidation Trust to Claims (Substantive)* (the “Objection”).

3. Getzler Henrich serves as the financial advisor to the Insys Liquidation Trust (the “Trust”) and Mr. William Henrich, the Trustee of the Trust and has been working in these cases

¹ The Liquidating Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Insys Therapeutics, Inc. (7886); IC Operations, LLC (9659), Insys Development Company, Inc. (3020); Insys Manufacturing, LLC (0789); Insys Pharma, Inc. (9410); IPSC, LLC (6577); and IPT 355, LLC (0155).

since the Effective Date.² I am the primary Getzler Henrich professional responsible for overseeing the claims analysis process. Additionally, I also consult with the Debtors' former Chief Financial Officer and Director of Accounting who currently act as consultants to the Trust and have firsthand knowledge of the Debtors' books and records (the "Books and Records"). As such, I have gained significant familiarity of the Books and Records and their Schedules.

4. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my review (or the review of Trust's counsel, Epiq, and/or Trust's consultants under my supervision) of business records kept by the Debtors in the ordinary course of business, the relevant proofs of claim, and/or the claims register maintained by Epiq, the claims and noticing agent in these cases. The objections set forth in the Objection are based on the review conducted. I have personally reviewed the Objection and to the best of my knowledge and belief, the information contained on Exhibits 1 and 2 to the proposed order attached to the Objection is true and correct.

5. I and/or the Trust's counsel reviewed the claims identified in Exhibit 1 to the proposed order attached to the Objection and the supporting documentation, if any, filed with the claims, and have determined that they were misclassified, in whole or in part, since they improperly assert priority claims under section 507(a)(4) and (10) of the Bankruptcy Code. Based on our review of the proofs of claim filed for these claims, we have determined that the claims fail to provide a sufficient basis for the asserted priority claims and are not supported under the Bankruptcy Code and/or the Plan. Therefore, the claims in Exhibit 1 should be modified as reflected therein.

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

6. I and/or the Trust's counsel reviewed the claims identified in **Exhibit 2** to the proposed order attached to the Objection and the supporting documentation, if any, filed with the claims, and have determined that the claims have no basis in fact or law which would support the asserted claims. Therefore, the claims in **Exhibit 2** should be disallowed and expunged.

7. Based on the foregoing, and to the best of my knowledge, information and belief, the information contained in the Objection and exhibits thereto is true and correct.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Executed on: February 28, 2022

/s/ Edward A. Phillips
Edward A. Phillips