

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

In re:

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

Liquidating Debtors.<sup>1</sup>

Chapter 11

Case No. 19-11292 (JTD)

(Jointly Administered)

**Re: D.I. 1805**

**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Court having considered all responses to the Objection, if any, and all such responses having been either overruled or withdrawn; and

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<sup>1</sup> 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.

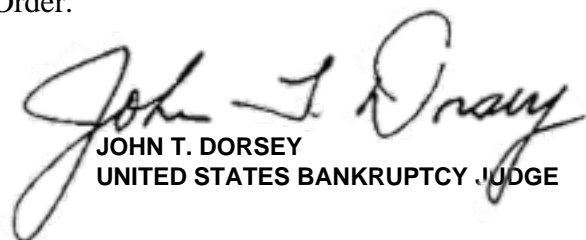
6. Nothing contained in the Objection or this Order is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors or its estates, (ii) waiver of rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of rights under Bankruptcy 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.

**Dated: April 8th, 2022  
Wilmington, Delaware**

  
**JOHN T. DORSEY  
UNITED STATES BANKRUPTCY JUDGE**

**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.

**Twentieth Omnibus Claims Objection  
Exhibit 2 - No Liability Claims**

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.