

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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In Re:

NOSTRUM LABORATORIES, INC.

Debtor.

Case No. 24-19611

Chapter 11

Honorable John K. Sherwood, U.S.B.J.

Hearing Date: April 8, 2025 at 2:00pm

**LIMITED OBJECTION OF NOSTRUM PHARMACEUTICALS TO THE DEBTOR'S
MOTION TO SELL PROPERTY FREE AND CLEAR OF LIENS**

Nostrum Pharmaceuticals, LLC, by and through undersigned counsel, hereby files its Limited Objection to Debtor's Motion to Sell Property Free and Clear of Liens under Section 363(f) (Docket No. 337) (hereinafter the "Motion") and in support thereof states as follows:

1. Nostrum Pharmaceuticals, LLC is the parent company and 100% equity interest holder in Nostrum Laboratories, Inc. (the "Debtor"). Nostrum Pharmaceuticals, LLC is also the owner of certain Abbreviated New Drug Applications ("ANDAs"), which are registered to its own name and not in the name of the Debtor, including ANDA# 076756 - Metformin (Glucophage) and ANDA# 087400 Theophylline – 100 mg, 200 mg, 300 mg and 450 mg.

2. At the bequest of the Debtor's Court Appointed Investment Banker who would be overseeing the sale of the Debtor's assets in this Chapter 11 case, our client was advised that it

would need to enter into certain Licensing Agreements for the products owned by Nostrum Pharmaceuticals, LLC that were presently being manufactured by the Debtor.

3. As a result, on December 9, 2024, the Debtor and Nostrum Pharmaceuticals, LLC entered into Product License Agreements with respect to ANDA# 076756 - Metformin (Glucophage) and ANDA# 087400 Theophylline – 100 mg, 200 mg, 300 mg and 450 mg owned by Nostrum Pharmaceuticals, LLC, which were subject to a Motion filed by counsel for the Debtor and thereafter approved by Order of this Court dated January 23, 2025 (the “Court Approved License Agreements”).

4. On March 12, 2025, counsel for the Debtor filed a Notice of Auction Sale and Amended Bidding Procedures. The Notice states that “the Debtor is soliciting offers for the purchase of substantially all or a portion of its assets consistent with the Bidding Procedures Order and Bidding Procedures.” No list of assets was attached to the notice.

5. On April 3, 2025, counsel for the Debtor filed a Notice of Successful Bidder(s) and Back-up Bidder(s) with the Court which includes a proposed sale of ANDA# 076756 - Metformin (Glucophage) and ANDA# 087400 Theophylline – 100 mg, 200 mg, 300 mg and 450 mg, which are owned by Nostrum Pharmaceuticals, LLC and not the Debtor. However, this Notice states that “as indicated in Exhibit A, a few products are owned by the Debtor’s parent company and licensed to the Debtor, and the successful bidder will acquire the license to those products and not the product itself.” The notice fails to reference the Court Approved License Agreements, the respective rights of the contract parties or the terms and conditions thereof.

6. Finally, on April 4, 2025, counsel for the Debtor filed this Motion, which contains an Order that proposes to actually sell ANDA# 076756 - Metformin (Glucophage) to ‘ANI’ in Paragraph 5a and proposes to sell and ANDA# 087400 Theophylline – 100 mg, 200 mg, 300 mg

and 450 to 'Everest' to 5f, without any reference to Court Approved License Agreements and more significantly, the fact that the products are owned by Nostrum Pharmaceuticals, LLC and not the Debtor.

7. The Court Approved License Agreements provide in pertinent part that “neither this Agreement nor any or all of the rights and obligations of NLI hereunder shall be assigned, delegated, sold, transferred, sublicensed or otherwise disposed of, by operation of law or otherwise, to any third party, without the prior written consent” of Nostrum Pharmaceuticals, LLC.

8. While the Debtor has failed to obtain the written consent of Nostrum Pharmaceuticals, LLC to the proposed transfer of the Debtor's rights and obligations under the Court Approved License Agreements, Nostrum Pharmaceuticals, LLC does not object to the Debtor's Motion to the extent that any Order entered by the Court (i) does not purport to sell any assets of Nostrum Pharmaceuticals, LLC, (ii) does not purport to sell a general “license” with respect to the assets of Nostrum Pharmaceuticals, LLC, but rather is only a sale, assignment or transfer of whatever limited contractual rights granted to the Debtor under the Court Approved License Agreements and (iii) does not infringe upon any of the contractual rights of Nostrum Pharmaceuticals, LLC contained in the Court Approved License Agreements, including but not limited to any and all default and termination remedies, which shall explicitly be reserved against both the Debtor or any Third-Party Purchaser, Assignee, Transferee, Bidder or Licensee of the Debtor with respect to the Court Approved License Agreements.

9. Given the foregoing, Nostrum Pharmaceuticals, LLC requests that an amended proposed Order with respect to the Motion be submitted by the Debtor containing an explicit reference to the issues hereinbefore referenced.

10. Nostrum Pharmaceuticals, LLC reserves the right to supplement this response at or prior to any hearing on this matter.

I certify that the foregoing statements made by me are true to the best of my knowledge.

I am aware that if any of the foregoing statements made by me are willfully false, that I am subject to punishment.

LAW OFFICE OF EUGENE D. ROTH
Attorneys for Nostrum Pharmaceuticals, LLC

By: /s/ Eugene D. Roth, Esq
Eugene D. Roth, Esq

Dated: April 7, 2025