

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

In re:

WALKER EDISON HOLDCO LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-11602 (TMH)

(Joint Administration Requested)

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF DEFENDANTS
TO THE DEBTORS' AUTOMATIC STAY MOTION**

Prospect Hill Growth Fund II, L.P., Prospect Hill Growth Fund II Co-Invest, L.P., Prospect Hill Growth Partners, L.P., JWC-WE Holdco, LLC, and JWC-WE Holdings, L.P., Adam Suttin, Phil Damiano, Kyle Casella, David Fiorentino, Ken Murphy, Walker Edison Holding Co., LLC, and Brad Bonham, MB & BB Holdings, LLC, and Matt Davis (the “Defendants”) as former equity holders of the above-captioned debtors and debtors in possession (the “Debtors”) and defendants in the Utah Litigations,² by their undersigned counsel, respectfully submit this limited objection and reservation of rights (this “Objection”) to the *Debtors’ Motion for Clarification that the Automatic Stay Does Not Apply to the Utah Litigations Or, in the Alternative, to Modify the Automatic Stay to Permit the Utah Litigations to Continue for the Benefit of the Estates* [Docket No. 14] (the “Motion”). In support of this Objection, Defendants respectfully state:

Background

1. On August 28, 2025, the Debtors each filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101, et. seq. (as amended and in

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Walker Edison Holdco LLC (8817); Walker Edison Intermediate, LLC (3363); Walker Edison Furniture Company LLC (6576); and EW Furniture, LLC (6288). The Debtors’ mailing address is 1553 W 9000 S, West Jordan, UT 84088.

² The “Utah Litigations” refers to *Walker Edison Furniture Company v. Brad Bonham, et al.* (Case No. 230902160) and *Blue Owl Capital Corporation v. Brad Bonham, et al.* (Case No. 240903251) currently pending in the Third Judicial District Court for the County of Salt Lake, State of Utah.

effect, the “Bankruptcy Code”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. As referenced in the Motion and *Declaration of Nate Brown in Support of Debtors’ Chapter 11 Petitions and First Day Motions* [Docket No. 2], Defendants were previously equity holders of the Debtors’ former holding company until 2023 and are now defendants in the Utah Litigations in the Third Judicial District Court for the County of Salt Lake, State of Utah.

Limited Objection and Reservation of Rights

3. Defendants do not oppose the relief requested by the proposed interim order attached to the Motion as Exhibit A (the “Interim Order”) as it relates to the applicability of the automatic stay pursuant to section 362 of the Bankruptcy Code to the Utah Litigations. However, Defendants want to ensure that the Interim Order and the proposed final order attached as Exhibit B to the Motion (the “Final Order” and together with the Interim Order, the “Orders”) otherwise fully preserve all rights, claims, and defenses with respect to Utah Litigations. To that end, Defendants request that the following language be added to both Orders:

Notwithstanding anything to the contrary herein, nothing in this [Interim/Final] Order shall affect or prejudice any procedural or substantive rights by any party to the Utah Litigations or be construed as a determination, adjudication, or disposition of any issue, claim, counterclaim, right, cause of action, defense, or remedy related to, arising under, or in connection with the Utah Litigations, including, without limitation, any right of removal pursuant to 28 U.S.C. §§ 1452 or 1441 or right to seek transfer of the Utah Litigations pursuant to 28 U.S.C. § 1409, except with respect to the applicability of the automatic stay pursuant to section 362 of the Bankruptcy Code. Other than as provided herein, this [Interim/Final] Order is entered without prejudice or limitation to the rights, claims, counterclaims, defenses, or arguments of any party with respect to any issue related to, arising under, or in connection with the Utah Litigations, all of which are expressly reserved. For the avoidance of doubt, no party may rely on this [Interim/Final] Order for, or offer this [Interim/Final] Order as evidence of, any purpose other than confirming that the automatic stay does not apply to the Utah Litigations.

4. In addition, Defendants further request that the Interim Order be modified to clarify that the relief granted is purely interim, and would terminate absent entry of the Final Order.

Finally, Defendants request that the Interim Order delete the reference to the Utah Court's authority to issue final judgments or orders during the interim period, since no such judgments or orders are expected during such time. Accordingly, Paragraph 3 of the Interim Order should be revised as follows:

On an interim basis pending the Final Hearing, the Utah Litigations are not subject to and to any extent necessary are hereby granted relief from the automatic stay, and the automatic stay does not and shall not preclude the parties to the Utah Litigations from litigating the Utah Litigations, ~~or the Utah Court from adjudicating and issuing final judgments or orders in the Utah Litigations.~~ For the avoidance of doubt, the relief granted herein shall, subject to entry of any Final Order, terminate upon the conclusion of the Final Hearing.

5. Defendants requested that the Debtors make such changes to the Interim Order, but the Debtors refused to include them without explanation. Defendants submit that these proposed changes to the Orders will ensure that no parties' rights are prejudiced by entry of the Orders, while ensuring that the parties may continue to prosecute and defend the Utah Litigations.

6. Defendants reserve their rights in all respects. This Objection is submitted without prejudice to, and with a full reservation of, Defendants' rights to supplement or amend this Objection in advance of, at, or in connection with, the hearing on the Motion.

Conclusion

7. For the foregoing reasons, Defendants respectfully request that the Court modify the Orders accordingly with the submitted language.

Dated: August 29, 2025
Wilmington, Delaware

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Respectfully Submitted,

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