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Counsel to the Plan Administrator

**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

-----X		
	:	
In re	:	Chapter 11
	:	
RUNWAY LIQUIDATION	:	Case No. 17-10466 (SCC)
HOLDINGS, LLC, et al.,¹	:	
	:	Jointly Administered
Debtors.	:	
-----X		

**NOTICE OF PLAN ADMINISTRATOR’S OBJECTION TO
 PROOF OF CLAIM NUMBER 598 FILED BY DAVID JEHAN**

PLEASE TAKE NOTICE that on August 10, 2018, David MacGreevey, in his capacity as plan administrator (the “Plan Administrator”) acting on behalf of Runway Liquidation Holdings, LLC and its affiliated post-effective date debtors (collectively, the “Post-Effective Date Debtors”) and, before the Effective Date of the Plan, the “Debtors”), filed the *Plan Administrator’s Objection to Proof of Claim Number 598 Filed by David Jehan* (the “Objection”), a copy of which is attached hereto. A hearing (the “Hearing”) on the Objection will be held before the Honorable Shelley C. Chapman of the United States Bankruptcy Court for

¹ The Post-Effective Date Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Runway Liquidation Holdings, LLC (6857); Runway Liquidation, LLC (5942); Runway Liquidation Intermediate Holdings, LLC (3673); MR Liquidation, LLC (9200); and MMH Liquidation, LLC (3854).

the Southern District of New York (the “Court”), in Room 623, One Bowling Green, New York, New York 10004-1408, on **September 13, 2018 at 10:00 a.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that any responses or objections (each, a “Response”) to the Objection shall be in writing, shall confirm to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, and the *Order (I) Establishing Certain Notice, Case Management, and Administrative Procedures and (II) Granting Related Relief* [Docket No. 90] (the “Case Management Order”), shall set forth the basis for the Response and the specific grounds therefor, and shall be filed with the Court electronically in accordance with General Order M-399 by registered users of the Court’s case filing system (the User’s Manual for the Electronic Case Filing System can be found at <http://www.nysb.uscourts.gov>, the official website for the Court), with a hard copy delivered directly to chambers pursuant to Local Rule 9070-1 and served so as to be actually received no later than **September 6, 2018 at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”), by the following parties:

- (a) Plan Administrator: David MacGreevey, c/o Zolfo Cooper, LLC, 1114 Avenue of the Americas, 41st Floor, New York, New York 10036;
- (b) Counsel to the Plan Administrator: (i) Pachulski Stang Ziehl & Jones, LLP, 780 Third Avenue, 34th Floor, New York, New York 10017, Attn: Robert J. Feinstein and (ii) Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 13th Floor, Los Angeles, California 90067, Attn: Jason S. Pomerantz;
- (c) United States Trustee: Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014, Attn: Brian Masumoto; and
- (d) all parties that have filed a request to receive service of court filings pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that if no Response is timely filed and served with respect to the Objection, the Plan Administrator shall, on or after Objection Deadline, submit to the Court an order substantially in the form annexed as **Exhibit A** to the Objection, which order the Court may enter without further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that the Hearing may be continued or adjourned thereafter from time to time without further notice other than an announcement of the adjourned date or dates in open court at the Hearing.

Dated: August 10, 2018

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Maria A. Bove

Robert J. Feinstein, Esq.

Bradford J. Sandler, Esq.

Maria A. Bove, Esq.

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Counsel to the Plan Administrator

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X		
In re	:	Chapter 11
	:	
RUNWAY LIQUIDATION HOLDINGS, LLC, et al.,¹	:	Case No. 17-10466 (SCC)
	:	
Debtors.	:	Jointly Administered
	:	
-----X		

**PLAN ADMINISTRATOR’S OBJECTION TO
PROOF OF CLAIM NUMBER 598 FILED BY DAVID JEHAN**

David MacGreevey, in his capacity as plan administrator (the “Plan Administrator”) acting on behalf of Runway Liquidation Holdings, LLC, and its affiliated post-effective date debtors (collectively, the “Post-Effective Date Debtors” and, before the Effective Date of the Plan, the “Debtors”), respectfully states the following in support of this objection (the “Objection”):

Relief Requested

1. The Plan Administrator seeks entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”), disallowing proof of claim numbered 598 (the

¹ The Post-Effective Date Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Runway Liquidation Holdings, LLC (6857); Runway Liquidation, LLC (5942); Runway Liquidation Intermediate Holdings, LLC (3673); MR Liquidation, LLC (9200); and MMH Liquidation, LLC (3854).

“Proof of Claim”) filed by David Jehan (“Claimant” or “Jehan”) against Debtor BCBG Max Azria Group, LLC (“BCBG Max Azria Group”) on May p24, 2017. A copy of the Proof of Claim is attached hereto as **Exhibit B**.

Jurisdiction and Venue

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated December 1, 2016. The Plan Administrator confirms his consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this Objection to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a) and 502 of the Bankruptcy Code, Bankruptcy Rule 3007, and Rule 9013-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Bankruptcy Rules”).

Background and Settlement Agreement

5. As set forth in that certain *Settlement Agreement* (the “Settlement Agreement”) and the Proof of Claim, Claimant was employed by BCBG Max Azria Group between 2004 and 2016.

6. Due to the confidentiality clause in the Settlement Agreement, the Plan Administrator has filed concurrently herewith an *ex parte* motion requesting authority to file the Settlement Agreement under seal.

7. On May 24, 2017, Claimant filed the Proof of Claim in the amount of \$226,153.00, the basis for which was “severance.”

8. Subsequently, on January 17, 2018, Claimant, BCBG Max Azria Group, BCBG Max Azria Group SAS, and AJ Partenaires Administrateurs entered into the Settlement Agreement, which resolves all claims held by Claimant against BCBG Max Azria Group, including those asserted in the Proof of Claim.

9. The Settlement Agreement also contains a general release. Specifically, Claimant agreed to a general release of:

Any claims parties may have against each other, including, without limitation, any claims (i) arising from Mr. Jehan’s employment, pay, bonuses, vacation, or any other employee benefits (including those resulting from Stock Option Plans, if any), and other terms and conditions of employment or employment practices of BCBG Max Azria Group LLC or BCBG Max Azria Group SAS; (ii) relating to the conditions of termination and the termination of Mr. Jehan’s employment with BCBG Max Azria Group LLC and/or BCBG Max Azria Group SAS or the surrounding circumstances thereof

Settlement Agreement, ¶12.

Objection

10. The Proof of Claim should be disallowed and expunged because Claimant’s claim for severance (and any other potential claim against the Debtors) has been released under the Settlement Agreement.

Basis for Relief Requested

11. A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). If an objection refuting at least one of the claim’s essential allegations is asserted, the claimant has the burden to demonstrate the validity of the claim. *See In re Oneida, Ltd.*, 400 B.R. 384, 389 (Bankr. S.D.N.Y. 2009), *aff’d*, No. 09 Civ. 2229 (DC), 2010 WL

234827, at *5 (S.D.N.Y. Jan 22, 2010); *In re Adelpia Commc'ns Corp.*, No. 02- 41729, 2007 WL 601452, at *5 (Bankr. S.D.N.Y. Feb. 20, 2007); *In re Rockefeller Ctr. Props.*, 272 B.R. 524, 539 (Bankr. S.D.N.Y. 2000).

12. Section 502(b)(1) of the Bankruptcy Code provides, in relevant part, that a claim may not be allowed to the extent that “such a claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured.” 11 U.S.C. § 502(b)(1).

13. The claim asserted in the Proof of Claim has been released under the Settlement Agreement and, therefore, should be disallowed pursuant to section 502(b)(1) of the Bankruptcy Code. The failure to disallow the Proof of Claim in its entirety will result in an unwarranted recovery to Claimant to the detriment of the Debtors’ other creditors.

Reservation of Rights

14. This Objection is limited to the grounds stated herein. Accordingly, it is without prejudice to the rights of the Plan Administrator or any other party in interest to object to the Proof of Claim on any grounds whatsoever, and the Plan Administrator expressly reserves all further substantive or procedural objections he may have.

WHEREFORE, for the reasons set forth above, the Plan Administrator requests the entry of an order, substantially in the form attached hereto as **Exhibit A**, disallowing the Proof of Claim and granting such other relief as is just and proper.

Dated: August 10, 2018

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Maria A. Bove

Robert J. Feinstein, Esq.

Bradford J. Sandler, Esq.

Maria A. Bove, Esq.

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Tel.: (212) 561-7700 / Fax: (212) 561-7777

Counsel to the Plan Administrator

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11**
: **Case No. 17-10466 (SCC)**
: **Jointly Administered**
: **Debtors.**
:
-----X

**ORDER GRANTING PLAN ADMINISTRATOR’S OBJECTION TO
PROOF OF CLAIM NUMBER 598 FILED BY DAVID JEHAN**

Upon the objection (the “Objection”)² of the Plan Administrator seeking entry of an order (this “Order”) disallowing proof of claim number 598 (“Claim No. 598”) filed by David Jehan (“Claimant”) in its entirety pursuant to sections 105(a) and 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007; the 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 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 sufficient notice of the Objection having been provided and opportunity for response having been given; and it appearing that no other or further notice need be provided; and the Court having considered the Objection, Claim No. 598, and any responses to the Objection; and the Court having found the legal and factual bases set forth in the Objection establish just cause for the relief granted herein, and upon the record herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

¹ The Post-Effective Date Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Runway Liquidation Holdings, LLC (6857); Runway Liquidation, LLC (5942); Runway Liquidation Intermediate Holdings, LLC (3673); MR Liquidation, LLC (9200); and MMH Liquidation, LLC (3854).

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

1. The relief requested in the Objection is granted as set forth herein.
2. Claim No. 598 is hereby disallowed and expunged.
3. Donlin Recano, the Post-Effective Date Debtors' noticing and claims agent, is authorized to update the Claims Register to reflect the relief granted in this Order.
4. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
5. This Court shall retain jurisdiction with respect to all matters related to or arising from the Objection or the implementation or interpretation of this Order.

Dated: _____, 2018

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Proof of Claim

Fill in this information to identify the case:

Debtor 1 BCBG Max Azria Group, LLC

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: United States Bankruptcy Court - Southern District of New York

Case number 17-10465

RECEIVED
5/24/2017 2:53:43 PM (Eastern Time)
US BANKRUPTCY COURT-DRC
Claim No. ECN-238

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense other than a claim arising under section 503(b)(9). Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor? David Jehan
 Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else? No
 Yes. From whom? _____

3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	David Jehan 166 East 61 Street Apt # 15H New York City NY 10065 United States 16177924620 david.jehan@yahoo.com	
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	

4. Does this claim amend one already filed? No
 Yes. Claim number on court claims registry (if known) _____ Filed on _____
 MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim? No
 Yes. Who made the earlier filing? _____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: 5942

7. How much is the claim? \$ \$226,153.00. Does this amount include interest or other charges? No Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.
Severance

9. Is all or part of the claim secured? No Yes. The claim is secured by a lien on property.
Nature of property:
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____
Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)
Amount necessary to cure any default as of the date of the petition: \$ _____
Annual Interest Rate (when case was filed) _____ %
 Fixed
 Variable

10. Is this claim based on a lease? No Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? No Yes. Identify the property: _____

12. Is all or part of the claim entitled to: (i) priority under 11 U.S.C. § 507(a), or (ii) administrative expense under 11 U.S.C. § 503(b)(9)?

- No
 Yes. Check all that apply:

Amount entitled to priority

- Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____
- Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____
- Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____
- Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____
- Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____
- Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies. \$ _____
- Value of goods received by the debtor within 20 days before the date of commencement of the case. 11 U.S.C. § 503(b)(9). \$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- I am the creditor.
- I am the creditor's attorney or authorized agent.
- I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 5/24/2017
 MM / DD / YYYY

/s/ David Jehan
 Signature

Print the name of the person who is completing and signing this claim:

David Jehan
 David Jehan
 166 East 61 Street
 Apt 15H
 New York City NY 10065
 United States
 16177924620
 david.jehan@yahoo.com

EMPLOYMENT STATUS CHANGE NOTICE

The following details regarding your separation of employment are required in order to file an unemployment insurance claim in the State of California.

Status Change Reason:	Layoff due to position elimination
Effective Date:	May 6, 2016
Name:	Jehan, David
Social Security Number:	8897

ACKNOWLEDGMENT

I acknowledge that I have received the following documents as related to my separation of employment.

- Employment Status Change Notice
- Benefits and Separation Instructions
- New York Unemployment Insurance Fact Sheet

Name

Signature

Date

**BCBG Max Azria Group, LLC
 Executive Severance Package**

Name	David Jehan	
Title	President, Int'l Affiliates	
Annual Salary	\$	840,000
Date of Hire		4/1/2009
Date of Termination		5/6/2016
Years of Service		7
Severance Weeks		8
Executive Severance Weeks		6
Total Severance Weeks		14
Severance	\$	129,230.77
Executive Severance	\$	96,923.08
Total Severance	\$	226,153.85
Accrued Vacation Hours	\$	160.00
Total Vacation Payout	\$	64,615.38
Total Package	\$	290,769.23

The Company agrees to provide severance equal to two (2) weeks salary for up to one year of service, for each completed year of service thereafter, Associates receive one week's salary and Executives receive two (2) weeks.