

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

In re:

TARONIS FUELS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11121 (BLS)

(Jointly Administered)

**NOTICE OF DEADLINE FOR FILING PROOFS OF CLAIM AND
REQUESTS FOR ALLOWANCE OF ADMINISTRATIVE CLAIMS**

**YOU ARE RECEIVING THIS NOTICE BECAUSE YOU MAY HAVE A CLAIM
AGAINST THE DEBTORS IN THE ABOVE-CAPTIONED CASES. YOU SHOULD
READ THIS NOTICE CAREFULLY AND DISCUSS IT WITH YOUR ATTORNEY. IF
YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.**

TO: ALL POTENTIAL HOLDERS OF CLAIMS AGAINST THE DEBTORS

Please take notice that on November 11, 2022, the above-captioned debtors (the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the U.S. Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), with the United States Bankruptcy Court for the District of Delaware (the “Court”).

Please take further notice that on February 21, 2023, the Court entered an order [Docket No. 308] (the “Bar Date Order”)² establishing: (i) **March 27, 2023 at 5:00 p.m. (prevailing Eastern Time)** (the “General Bar Date”) as the last date and time for each person or entity to file a Proof of Claim in these Chapter 11 Cases (the “Proof of Claim” or “Proofs of Claim,” as applicable), provided that, solely with respect to a governmental unit, the last date and time for such governmental unit to file a Proof of Claim in these Chapter 11 Cases is **May 10, 2023 at 5:00 p.m. (prevailing Eastern Time)** (the “Governmental Bar Date”); and (ii) **March 27, 2023 at 5:00 p.m. (prevailing Eastern Time)** (the “Administrative Claim Bar Date”) as the last date and time for each person or entity to file a request for allowance of an Administrative Expense Claims (the “Payment Request” or “Payment Requests,” as applicable) arising during the period **from the Petition Date through and including February 10, 2023**. For your convenience, enclosed with this Notice is a Proof of

¹ The Debtors in these chapter 11 cases, along with the last four digits (if any) of each Debtor’s federal tax identification number include: Taronis Fuels, Inc. (7454), MagneGas Welding Supply – West, LLC (6662), Taronis Sub III LLC (5826), MagneGas Welding Supply – South, LLC (8686), MagneGas Real Estate Holdings, LLC (7412), MagneGas IP, LLC (0988), MagneGas Production, LLC (7727), Taronis Sub I LLC (4205), Taronis-TAS, LLC (2356), Taronis-TAH, LLC (3542), and Taronis Sub II LLC (9673). The location of the Debtors’ service address in these chapter 11 cases is 24980 N. 83rd Avenue, Suite 100, Peoria, Arizona 85383.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Bar Date Order.

Claim form (the “Proof of Claim Form”) and a Payment Request form (the “Payment Request Form”).

THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM AGAINST THE DEBTORS OR THAT THE DEBTORS BELIEVE THAT YOU HAVE A CLAIM AGAINST THE DEBTORS.

Please take further notice that the Bar Date Order and the procedures set forth therein and herein for the filing of Proofs of Claim apply to all Claims (the holder of any such Claim, a “claimant”) that arose, or are deemed to have arisen, prior to the Petition Date, regardless of their character or nature, whether secured or unsecured, priority or non-priority, liquidated or unliquidated, fixed or contingent, including, without limitation, Claims entitled to administrative priority status under section 503(b)(9) of the Bankruptcy Code, no matter how remote or contingent.

As used in this Notice, the term “creditor” has the meaning given to it in section 101(10) of the Bankruptcy Code, and includes all persons, entities, estates, trusts, governmental units and the United States Trustee. In addition, the terms “persons,” “entities” and “governmental units” are defined in sections 101(41), 101(15) and 101(27) of the Bankruptcy Code, respectively.

As used in this Notice, the term “Claim” or “Claims” has the meaning given to it in section 101(5) of the Bankruptcy Code, and includes as to or against the Debtor: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

ALL CLAIMS

A. PROOFS OF CLAIM, PAYMENT REQUESTS, AND MANNER OF FILING

i. Proofs of Claim

Except as otherwise provided herein, any person or entity that has or seeks to assert a Claim which arose, or is deemed to have arisen, prior to the Petition Date, including, without limitation, a Claim under section 503(b)(9) of the Bankruptcy Code, **MUST FILE A PROOF OF CLAIM ON OR BEFORE THE APPLICABLE BAR DATE** in order to potentially share in the Debtors’ estates. For the avoidance of doubt, pursuant to Bankruptcy Rule 3003(c)(2), any claimant who asserts a Claim that arose, or is deemed to have arisen, prior to the Petition Date and whose Claim is either (a) not listed on the Debtors’ Schedules or (b) is listed on the Schedules as disputed, contingent, or unliquidated, shall be required to file a Proof of Claim on or prior to the applicable Bar Date in order to potentially share in the Debtors’ estates. Under the Bar Date Order, the filing of an original, written Proof of Claim Form, or the electronic submission of a Proof of Claim Form shall be deemed to satisfy the procedural requirements for the assertion of administrative priority Claims under section 503(b)(9) of the Bankruptcy Code. All other administrative Claims under section 503(b) of the Bankruptcy Code must be made by pursuant to the procedures below and shall not be deemed proper if made by Proof of Claim. **Claims under section 503(b)(9) of the Bankruptcy Code must be filed by the General Bar Date.** Acts or omissions of the Debtors that occurred or

arose before the Petition Date may give rise to Claims that must be filed by the applicable Bar Date, notwithstanding that such Claims may not have matured, are contingent, or have not become fixed or liquidated prior to or as of the Petition Date.

1. Claims for Which A Proof of Claim Need Not be Filed

Notwithstanding the above, holders of the following Claims are not required to file a Proof of Claim on or before the applicable Bar Date solely with respect to such claim:

- a) any person or entity that already has filed a Proof of Claim against the correct Debtor(s) with DRC or the Clerk of the Court in a form substantially similar to Official Bankruptcy Form B 410;
- b) any person or entity whose claim is listed on the Debtors' Schedules or any amendments thereto; unless (i) the claim is scheduled as "disputed," "contingent," or "unliquidated;" (ii) the claimant disagrees with the amount, nature and/or priority of the claim as set forth in the Schedules; or (iii) the claimant disputes that the claim is an obligation of the particular Debtor against which the claim is listed in the Schedules. In the case of either (i), (ii), or (iii), a Proof of Claim must be filed on or before the applicable Bar Date;
- c) professionals retained by the Debtors, pursuant to orders of the Court, that assert administrative claims for fees and expenses subject to the Court's approval pursuant to sections 330, 331 and 503(b) of the Bankruptcy Code;
- d) current officers and directors of the Debtors who assert claims for indemnification and/or contribution arising as a result of such officers' or directors' prepetition or post-petition services to the Debtors;
- e) a holder of a claim that has previously been allowed by order of the Court;
- f) a holder of a claim that has been paid in full by the Debtors or any other party;
- g) a holder of a claim for which a specific deadline to file a Proof of Claim previously has been fixed by the Court;
- h) any Debtor having a claim against another Debtor;
- i) a current employee of the Debtors, if an order of this Court authorized the Debtors to honor such claim in the ordinary course of business as a wage, commission, or benefit and the Debtors have in fact honored such claim; provided, however, that a current or former employee must submit a Proof of Claim by the General Bar Date for

all other claims, including claims for wrongful termination, discrimination, harassment, hostile work environment, retaliation, claims covered by the Debtors' workers' compensation insurance, or any other litigation or pre-litigation claim; and

- j) a holder of a claim arising under the Prepetition Loan Agreement and/or Term Note; provided, that the Prepetition Lender, or authorized agent, is authorized, but not directed or required, to file one master Proof of Claim on behalf of themselves, on account of any and all of the respective claims arising under the Prepetition Loan Agreement and/or Term Note. The Prepetition Lender, or authorized agent, shall not be required to attach any instruments, agreements, or other documents evidencing the obligations owing by each of the Debtors to the Prepetition Lender, which instruments, agreements, or other documents will be provided upon written request to counsel to the Prepetition Lender, or authorized agent.

Please take notice that any claimant exempted from filing a Proof of Claim for a claim as described in the list above must still properly and timely file a Proof of Claim for any other claim that does not fall within the exemptions described in the list above.

ii. Payment Requests

Except as otherwise provided herein, each person or entity (including, without limitation, individuals, partnerships, corporations, joint ventures, trusts, and governmental units) that holds or wishes to assert an alleged Administrative Expense Claim against the Debtors' estate that may have arisen during the period from the Petition Date through and including February 10, 2023 **MUST FILE A PAYMENT REQUEST ON OR BEFORE THE ADMINISTRATIVE CLAIM BAR DATE** in order to potentially share in the Debtors' estates.

1. Claims for Which a Payment Request Need Not be Filed

Pursuant to the terms of the Bar Date Order, the Administrative Claim Bar Date does not apply to the following claims:

- a) Administrative Expense Claims that (i) have been previously paid by the Debtors in the ordinary course of the Debtors' business or (ii) have otherwise been allowed by order of the Court;
- b) Administrative Expense Claims previously filed with DRC or the Court;
- c) Administrative Expense Claims held by a person or entity that filed a motion requesting allowance of such Administrative Expense Claim prior to the date hereof;
- d) Administrative Expense Claims of any professional retained and employed by the Debtors pursuant to sections 327, 328, or 1103 of the Bankruptcy Code, including any ordinary course of business professionals retained,

pursuant to an order of this Court approving the employment of ordinary course business professionals, for compensation, indemnification, or reimbursement of costs and expenses relating to professional services performed and expenses incurred on and after the Petition Date;

- e) claims for fees payable to the Clerk of this Court;
- f) fees payable to the Office of the United States Trustee under 28 U.S.C. § 1930(a)(6) or accrued interest thereon arising under 31 U.S.C. § 3717; and
- g) Administrative Expense Claims arising after February 10, 2023.

A CLAIMANT OR REPRESENTATIVE OF THE CLAIMANT SHOULD CONSULT HIS OR HER ATTORNEY IF THE CLAIMANT HAS ANY QUESTIONS, INCLUDING WHETHER SUCH CLAIMANT SHOULD FILE A PAYMENT REQUEST. NEITHER THE DEBTORS' ATTORNEYS, NOR DRC, NOR THE CLERK OF THE COURT CAN ADVISE THE CLAIMANT WHETHER THE CLAIMANT SHOULD FILE A PAYMENT REQUEST.

iii. Claims Arising from Rejected Executory Contracts or Unexpired Leases

Any person or entity that holds a Claim that arises from the rejection of an executory contract or unexpired lease must file a Proof of Claim based on such rejection by the later of (a) the General Bar Date and (b) thirty days after the effective date of such rejection established in the Court order authorizing such rejection (the “Rejection Bar Date”).

iv. Schedules and Amendments thereto

You may be listed as the holder of a Claim in the Schedules. The Schedules are available free of charge on DRC’s website at <https://www.donlinrecano.com/Clients/tfi/Index>. If you rely on the Schedules, it is your responsibility to determine that your Claim is accurately listed in the Schedules. As described above, if (a) you agree with the nature, amount and status of your Claim as listed in the Schedules, (b) your Claim is NOT described as “disputed,” “contingent,” or “unliquidated,” and (c) you do not dispute that the claim is an obligation of the particular Debtor against which the claim is listed in the Schedules, then you are not required to file a Proof of Claim in these Chapter 11 Cases with respect to such Claim. Otherwise, or if you decide to file a Proof of Claim, you must do so before the applicable Bar Date in accordance with the procedures set forth in this Notice and the Bar Date Order.

If the Debtors amend their Schedules, then the Bar Date for those creditors affected by any such amendment shall be the later of (a) the General Bar Date or (b) 5:00 p.m. (Prevailing Eastern Time) on the date that is twenty-one (21) days from the date that the Debtors provided written notice to the affected creditor that the Schedules have been amended (the “Amended Schedules Bar Date” and, together with the General Bar Date, Governmental Bar Date, and Rejection Bar Date, the “Bar Dates,” and each a “Bar Date”).

B. WHEN AND WHERE TO FILE PROOFS OF CLAIM AND PAYMENT REQUESTS

All claimants must submit (by overnight mail, courier service, hand delivery, regular mail or in person) an original, written: (i) Proof of Claim that substantially conforms to the Official Bankruptcy Form No. B 410 or the enclosed Proof of Claim Form; and/or (ii) the Payment Request Form, as applicable, so as to be **actually received** by DRC by no later than 5:00 p.m. (prevailing Eastern Time) on or before the applicable Bar Date at the following address:

(by mail)

Donlin, Recano & Company, Inc.

Re: Taronis Fuels, Inc., et al.

P.O. Box 199043

Blythebourne Station

Brooklyn, NY 11219

(by overnight mail, courier, or hand delivery)

Donlin, Recano & Company, Inc.

Re: Taronis Fuels, Inc., et al.

6201 15th Avenue

Brooklyn, NY 11219

Alternatively, claimants may submit a Proof of Claim or Payment Request, as applicable, electronically through the electronic Claims filing system available at <https://www.donlinrecano.com/Clients/tfi/FileClaim>.

Proofs of Claim and Payment Requests will be deemed timely filed only if actually received by DRC on or before the applicable Bar Date. Proofs of Claim and Payment Requests may **not** be delivered by facsimile, telecopy, or electronic mail transmission. Any facsimile, telecopy, or electronic mail submissions will **not** be accepted and will **not** be deemed filed until a Proof of Claim or Payment Request, as applicable, is submitted to DRC by overnight mail, courier service, hand delivery, regular mail or in person or through the electronic filing system described above. Claimants wishing to receive acknowledgment that their original, written Proofs of Claim or Payment Requests, as applicable, were received by DRC must submit (i) a copy of the Proof of Claim or Payment Request, as applicable, and (ii) a self-addressed, stamped envelope (in addition to the original Proof of Claim or Payment Request, as applicable, sent to DRC).

C. CONTENTS OF A PROOF OF CLAIM AND PAYMENT REQUEST

i. Proofs of Claim

As noted above, the Debtors are enclosing a Proof of Claim Form for use in these Chapter 11 Cases, or you may use another Proof of Claim form that substantially conforms to Official Bankruptcy Form No. B 410. The Proof of Claim Form is available free of charge on DRC's website at <https://www.donlinrecano.com/Clients/tfi/Index>.

If your Claim listed in the Debtors' Schedules, the Proof of Claim Form sent to you will indicate how the Debtors have scheduled your Claim in the Schedules, including (a) the amount of the scheduled Claim, if any; (b) whether the Claim is listed as disputed, contingent, or unliquidated; and (c) whether the Claim is listed as a secured, unsecured priority, or unsecured non-priority Claim.

To be valid, your Proof of Claim **MUST**: (a) be signed by the claimant (which, if submitted electronically, may be satisfied by electronic signature through the electronic Claims filing system described above); (b) be written in the English language; (c) be denominated in lawful currency of the United States; provided that Claims in foreign currency must state the amounts claimed in such foreign currency and must also convert each such amount to United States dollars as of November 11, 2022; (d) conform substantially to the enclosed Proof of Claim Form or Official Form B 410; (e) set forth with specificity the legal and factual basis for the alleged Claim; and (f) include supporting documentation or an explanation as to why such documentation is not available. **You should redact any sensitive information from your supporting documentation prior to filing your Proof of Claim.**

If you are filing a Claim under section 503(b)(9) of the Bankruptcy Code, you must indicate in Box 13 of the Proof of Claim Form the amount of the Claim that arises under section 503(b)(9) of the Bankruptcy Code. For each Claim under section 503(b)(9) of the Bankruptcy Code, you must attach all documents supporting such Claim to the Proof of Claim Form and include a statement setting forth with specificity: (a) the value of the goods the claimant contends the Debtors received within twenty (20) days before the Petition Date; (b) documentation, including invoices, receipts, purchase orders, bills of lading, and the like, identifying the particular goods for which the claim is being asserted; and (c) a statement indicating (i) whether the value of such goods listed in the Proof of Claim Form represents a combination of services and goods, (ii) the percentage of value related to services and related to goods, and (iii) whether the claimant has been paid on account of any other claim against the Debtors regarding the goods underlying its Proof of Claim Form.

ii. Payment Requests

As noted above, the Debtors are enclosing a Payment Request Form for use in these Chapter 11 Cases. The Payment Request Form is available free of charge on DRC's website at <https://www.donlinrecano.com/Clients/tfi/Index>.

Each Payment Request must: (i) be signed by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant; (ii) be written English; (iii) denominate the claim in lawful currency of the United States as of the Administrative Claim Bar Date; and (iv) include supporting documentation (or, if such documentation is voluminous, include a summary of such documentation) or an explanation as to why such documentation is not available. Documentation should include both evidence of the nature of the Administrative Expense Claim asserted as well as evidence of the date on which the Administrative Expense Claim arose.

D. CONTINGENT CLAIMS

Acts or omissions of or by the Debtors that occurred, or that are deemed to have occurred, prior to the Petition Date, including, without limitation, acts or omissions related to any indemnity agreement, guarantee, services provided to or rendered by the Debtors, or goods provided to or by the Debtors, may give rise to Claims against the Debtors and their estates notwithstanding the fact that such Claims (or any injuries on which they may be based) may be contingent or may not have matured or become fixed or liquidated prior to the Petition Date. Therefore, any person or entity

that holds a Claim or potential Claim against the Debtors and their estates, no matter how remote, contingent, or unliquidated, **MUST** file a Proof of Claim on or before the applicable Bar Date.

CONSEQUENCES FOR FAILURE TO FILE A PROOF OF CLAIM AND/OR PAYMENT REQUEST

Any claimant that is required to file a Proof of Claim and in these Chapter 11 Cases pursuant to the Bankruptcy Code, the Bankruptcy Rules or the Bar Date Order with respect to a particular Claim, but that fails to do so properly by the applicable Bar Date, shall be forever barred, estopped, and enjoined from: (a) asserting such Claim against the Debtors and their estates (or filing a Proof of Claim), and the Debtors and their properties and estates shall be forever discharged from any and all indebtedness or liability with respect to such Claim and (b) voting upon, or receiving distributions under, any chapter 11 plan in these Chapter 11 Cases or otherwise in respect of or on account of such Claim, and such person or entity shall not be treated as a creditor with respect to such Claim for any purpose in these Chapter 11 Cases.

Additionally, any party purportedly holding an Administrative Expense Claim against the Debtors that arose between the Petition Date and February 10, 2023 that is required to file a Payment Request, but fails to do so properly or timely in accordance with the Bar Date Order, shall not, absent further order of the Court, participate in any distribution in these Chapter 11 Cases on account of such Administrative Expense Claim or, in the event that the Chapter 11 Cases are converted, in any case under Chapter 7 of the Bankruptcy Code.

RESERVATION OF RIGHTS

Nothing contained in this Notice or the Bar Date Order is intended or should be construed as a waiver of any of the Debtors' rights, including without limitation, their rights to: (a) dispute, or assert offsets or defenses against, any filed Claim or any Claim listed or reflected in the Schedules as to the nature, amount, liability or classification thereof; (b) subsequently designate any scheduled Claim as disputed, contingent or unliquidated; or (c) otherwise amend or supplement the Schedules. In addition, nothing contained herein is intended or should be construed as an admission of the validity of any Claim or an approval, assumption or rejection of any agreement, contract or lease under section 365 of the Bankruptcy Code. All such rights and remedies are reserved.

ADDITIONAL INFORMATION

The Proof of Claim Form, the Payment Request Form, the Bar Date Order, and all other pleadings filed in these Chapter 11 Cases are available free of charge on DRC's website at <https://www.donlinrecano.com/Clients/tfi/Index>. If you have questions concerning the filing or processing of Claims, you may contact the Debtors' claims and noticing agent, DRC, by e-mail at tfiinfo@donlinrecano.com, or by calling the toll-free information line at (866) 703-9066.