

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re:	:	Chapter 11
	:	
Wordsworth Academy, <i>et al.</i> , ¹	:	Case No. 17- 14463 (AMC)
	:	
Debtors.	:	Jointly Administered
	:	

**RESPONSE OF THE UNSECURED CREDITORS' COMMITTEE
TO THE MOTION OF LIST ASSOCIATES, L.P. FOR ALLOWANCE OF
ADMINISTRATIVE CLAIM**

To the Honorable Ashely M. Chan, United States Bankruptcy Judge:

The Official Committee of Unsecured Creditors (the "**Creditors' Committee**") appointed in the cases (the "**Cases**") of the above-captioned Debtors and Debtors-in-Possession (collectively, the "**Debtors**") , by and through its counsel, hereby responds to the *Motion for Allowance of Administrative Claim* (the "**Motion**") filed by List Associates, L.P., and respectfully represents as follows:

BACKGROUND

1. On June 30, 2017 (the "**Petition Date**"), the Debtors each filed a voluntary petition for relief under chapter 11 of title 11, United States Code (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the Eastern District of Pennsylvania.

2. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Wordsworth Academy (9031); Wordsworth CUA 5, LLC (0983); and Wordsworth CUA 10, LLC (5980). Wordsworth Academy has an address at 3300 Henry Ave., Philadelphia, PA 19129.

3. On July 14, 2017, the United States Trustee for Region 3 appointed the Committee.

THE MOTION

4. On September 26, 2017, the List Associates, L.P. ("**List**") filed the Motion, seeking allowance of an administrative claim against the Debtor, Wordsworth Academy, in the amount of \$293,928.28 under section 503 of the Bankruptcy Code. The requested administrative claim is filed in connection with the Debtor's lease of its "Ford Road" property from List Associates. Notably, the Motion did not seek payment of the administrative claim, only allowance thereof.

RESPONSE TO MOTION

5. The Committee has reviewed the Motion and, to the extent of the actual amount of monies due to List Associates under the Ford Road lease, the Committee has no objection to allowance of an administrative claim. However, the Committee has been advised that the Debtor intends to file (with or without notice and an opportunity to be heard) a stipulation with List whereby List would be allowed an administrative claim in a lesser amount than that sought in the Motion, which is of course beneficial to the estate, but which will provide for immediate payment of that claim to List. This aspect of the proposed stipulation is objectionable to the Committee.

6. The Committee believes that the payment to List should await confirmation of the Debtors' Plan, which was filed on October 6, 2017. The hearing to approve the Debtors' Disclosure Statement is scheduled for November 1, 2017, and it is anticipated that the Debtors will be before the Court seeking confirmation of the Plan early to mid-December. Thus, if List were to wait for confirmation to be paid, the wait would be a short one.

7. While the Committee believes that the Plan is one which is capable of confirmation, it has raised certain issues with the Debtors as to the payments to unsecured creditors under the Plan and, upon information and belief, at this time the Plan is still opposed by M&T Bank. If the Plan is not confirmed, it is possible that the Debtors will be administratively insolvent. In that event, it is prejudicial to other administrative creditors for List to be paid in full prior to a determination of the amounts to be paid to all administrative creditors. Although the Committee does not anticipate that outcome, it is nevertheless in the best interests of all creditors that the payment to List be made through a confirmed Plan, especially since these cases are nearing a conclusion.

8. The Committee expressly reserves its right to further address the Court at the hearing on the Motion.

Dated: October 24, 2017

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