IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: America's Gardening Resource, Inc., *et al.*,[1] Debtors.	Chapter 11 Case No. 25-11180 (BLS) (Jointly Administered) **Re: Docket Nos. 264, 265**

OBJECTION OF RICHARD SIMPSON TO DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) APPROVING THE ADEQUACY OF THE DISCLOSURE STATEMENT ON AN INTERIM BASIS, (II) SCHEDULING A HEARING ON FINAL APPROVAL OF THE COMBINED DISCLOSURE STATEMENT AND PLAN, (III) APPROVING THE SOLICITATION AND NOTICE PROCEDURES, (IV) APPROVING THE COMBINED HEARING NOTICE, AND (V) GRANTING RELATED RELIEF

Richard Simpson ("Simpson"), by and through undersigned counsel, hereby submits this objection (the "Objection") to the *Debtors' Motion for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement on an Interim Basis, (II) Scheduling a Hearing on Final Approval of the Combined Disclosure Statement and Plan, (III) Approving the Solicitation and Notice Procedures, (IV) Approving the Combined Hearing Notice, and (V) Granting Related Relief* [Docket No. 265] (the "Motion") filed by the above-captioned debtors (collectively, the "Debtors") seeking interim approval of the *Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors* [Docket No. 264] (the "Disclosure Statement" or the "Plan," as applicable). In support of this Objection, Simpson respectfully states as follows:

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: America's Gardening Resource, Inc. (9604); Gardener's Home LLC (0498); IGH, Inc. (9336); Serac Corporation (9800); Innovative Gardening Solutions, Inc. (3325). The location of the Debtors' corporate headquarters and the Debtors' service address in these chapter 11 cases is 128 Intervale Road, Burlington, Vermont 05401.

PRELIMINARY STATEMENT

1. The Disclosure Statement should not be approved because it is inadequate on its face. The Disclosure Statement fails to provide adequate information from which a creditor could make a reasoned determination as to whether to vote in favor of or against the Plan. The Disclosure Statement fails to provide, among other things, necessary information regarding the classification of Simpson's claim, the collateral sold by the Debtors and the consideration received, the Retained Causes of Action (as defined in the Disclosure Statement), and the Debtors' other remaining assets.

BACKGROUND

2. Simpson is the owner of certain real property located in Greenland, New Hampshire where he, as well as his wife and their company, Rolling Green Nursery, L.L.C. (collectively, the "Simpson Parties") previously operated a garden center (the "Business").

3. On or about March 15, 2023, Debtor America's Gardening Resources, Inc. ("AGR") entered into a transaction with the Simpson Parties whereby AGR purchased the Business from the Simpson Parties and leased the relevant real property. Simpson remains the owner of the relevant real property.

4. As part of this transaction, Simpson loaned AGR $444,932.00. AGR granted Simpson a security interest in "[a]ll personal and fixture property of every kind and nature that is located at [AGR's] garden center in Greenland, New Hampshire including without limitation, all furniture, fixtures, equipment, raw materials, inventory and other goods and all intellectual property and other 'Acquired Assets' as such term is defined in the" parties asset purchase agreement. A copy of the relevant security agreement is attached hereto as Exhibit 1. The Simpson Parties subsequently filed a UCC-1 financing statement.

5. The Simpson Parties also executed a subordination agreement whereby their rights to collateral would be subordinate to the rights of the Debtors' pre-petition lenders, Bank of America, N.A., Banc of America Leasing & Capital, LLC, and/or Northfield Savings Bank.

6. The amount currently due to Simpson under the relevant loan documents is $199,912.34.

7. On June 20, 2025 (the "Petition Date"), the above-captioned debtors (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court").

8. In its *Schedules of Assets and Liabilities* [Docket No. 135], AGR identifies Simpson as a secured party and correctly notes that he is owed $199,912.34.

9. On August 4, 2025, the Court entered the *Order (A) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, and Encumbrances; and (B) the Assumption and Assignment of Executory Contracts and Unexpired Leases* [Docket No. 152] (the "Sale Order") approving the sale of substantially all of the Debtors' assets, other than certain excluded assets and claims, and such sale closed on August 7, 2025.

10. Under the Sale Order, the Debtors' assets were sold for $9,000,000. At the closing of the sale, the Debtors paid Bank of America $4,950,000.00 and Northfield Savings Bank $2,925,000.00 from the proceeds of the sale in full and final satisfaction of their claims. *See* Sale Order at paragraphs 29, 30. The Sale Order does not allocate these amounts to any particular assets sold.

11. After the above payments to their senior secured lenders, the Debtors should have realized $1,125,000.00 from the sale proceeds that could be used for the payment of subordinate secured claims, like the one held by Simpson, and general unsecured claims.

12. On November 3, 2025, the Debtors filed their Motion, Disclosure Statement and Plan.

OBJECTION

I. The Disclosure Statement Lacks Adequate Information Necessary for Creditor Evaluation of the Plan.

13. A chapter 11 debtor may only solicit votes to accept or reject a chapter 11 plan of reorganization once the court has approved the debtor's written disclosure statement for that plan as containing "adequate information." 11 U.S.C. § 1125(b). Under section 1125(b) of the Bankruptcy Code, a plan proponent has an affirmative duty to provide creditors with a disclosure statement containing adequate information to enable a creditor to reach an informed judgment about the plan. Section 1125(a)(1) of the Bankruptcy Code defines "adequate information" as: "[I]nformation of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records . . . that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan[.]" 11 U.S.C. § 1125(a)(1).

14. The Third Circuit has emphasized the importance of adequate disclosure, stating that, given the reliance creditors and bankruptcy courts place on disclosure statements, "we cannot overemphasize the debtor's obligation to provide sufficient data to satisfy the Code standard of 'adequate information.'" *Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.2d 414, 417 (3d Cir. 1988). Although courts assess adequacy on a case-by-case basis, a disclosure statement must "contain simple and clear language delineating the consequences of the proposed plan on

[creditors'] claims and the possible . . . alternatives so that [creditors] can intelligently accept or reject the Plan." *In re Copy Crafters Quickprint, Inc.*, 92 B.R. 973, 981 (Bankr. N.D.N.Y. 1988). In essence, a disclosure statement "must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution." *In re Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991).

15. The Third Circuit has called the filing of a disclosure statement with adequate information a "pivotal concept in reorganization under the Code." *Oneida Motor Freight, Inc.*, 848 F.2d at 417. "The importance of full disclosure is underlaid by the reliance placed upon the disclosure statement by the creditors and the court." *Id.*

16. If a disclosure statement does not contain information that would provide creditors and the Court with sufficient information to evaluate a plan, the disclosure statement should not be approved. *See In re Ferretti*, 128 B.R. 16, 18 (Bankr. D.N.H. 1991) (denying approval of disclosure statement when various disclosures were inadequate); *In re Egan*, 33 B.R. 672, 675-76 (Bankr. N.D. Ill. 1983) (denying approval of disclosure statement due to inadequate information); *In re E. Redley Corp.*, 16 B.R. 429, 430 (Bankr. E.D. Pa. 1982) (denying approval of disclosure statement due to inadequate information regarding valuation); *In re Point Blank Solutions, Inc*. Case No. 10-11255 (PJW), Hr'g Tr. 6:9-8:7, (Bankr. D. Del. Apr. 21, 2011) [Docket No. 1416] (denying approval of disclosure statement because, among other things, it did not contain "a table showing each class, how it's defined, and the aggregate amount in the class, and the expected percentage recovery").[2]

[2] The Disclosure Statement does contain a table showing which claims are impaired and eligible to vote, but the table does not include the aggregate amount of claims in each class.

17. The information presented in a disclosure statement should not be interpretive, speculative, or opinion, but instead must be "uncontested, concrete facts" from which voting claimants can make their own informed decisions how to vote. *See In re Zenith Elecs. Corp.*, 241 B.R. 92, 99–100 (Bankr. D. Del. 1999); *see also In re Unichem Corp.*, 72 B.R. 95, 97 (Bankr. N.D. Ill. 1987); *In re Ligon*, 50 B.R. 127, 130 (Bankr. M.D. Tenn. 1985); *In re Egan*, 33 B.R. 672, 675–76 (Bankr. N.D. Ill. 1983); *In re Civitella*, 15 B.R. 206, 208 (Bankr. E.D. Pa. 1981).

18. The Debtors' Disclosure Statement lacks adequate information concerning critical issues that will impact creditors' decision to vote to accept or reject the Plan, and should, therefore, not be approved.

a. The Simpson Claim.

19. The Disclosure Statement lacks sufficient information regarding the treatment of Simpson's claim.

20. As was indicated in the Debtors' schedules, and supported by Simpson's proof of claim, Simpson's claim is a secured claim. Presumably, this claim would fall into Class 1 – Other Secured Claims. The Disclosure Statement defines "Other Secured Claims" as "any Secured Claim other than the claims of Bank of America, N.A., Banc of America Leasing & Capital, LLC and/or Northfield Savings Bank." *See* Disclosure Statement, section 1.73. As the Simpson claim is secured and is not held by of Bank of America, N.A., Banc of America Leasing & Capital, LLC, and/or Northfield Savings Bank, it should be considered a Class 1 claim. To the extent that the collateral securing Simpson's claim has been sold pursuant to 11 U.S.C. § 363, Simpson's lien would attach to the sale proceeds. *See, e.g., In re DVI Inc.*, 306 B.R. 496, 504-05 (Bankr. D. De. 2004); *see also*, Sale Order, paragraph 7.

21. However, in discussing Class 1 – Other Secured Claims, the Disclosure Statement indicates, "The Debtors do not believe there are any." *See* Disclosure Statement, section 7.1(a). There is no discussion as to how the Simpson claim is to be treated under the Plan nor how the Debtors could believe that no Other Secured Claims could exist considering the existence of the Simpson claim, or which the Debtors are well aware. The Disclosure Statement must be amended to explain this incongruity and to indicate that the Simpson claim is a Class 1 – Other Secured Claim and will be treated as same for purposes of voting and distribution.

b. The Sale Proceeds.

22. The Disclosure Statement lacks sufficient information regarding the proceeds of the sale of substantially all of the Debtors' assets.

23. Per the Disclosure Statement, the Debtors sold substantially all of their assets for $9,000,000, "subject to certain working capital adjustments." The Disclosure Statement also states, "The prepetition secured claims of Bank of America, N.A., Banc of America Leasing & Capital, LLC and/or Northfield Savings Bank were settled and satisfied from the net proceeds of the Sale of substantially all of the Debtors' assets and they no longer have claims in the Chapter 11 Cases."

24. What the Disclosure Statement does not disclose is that those lenders agreed to a reduction in their claims in exchange for immediate payment at the closing of the sale. Per the Sale Order, the Debtors paid Bank of America $4,950,000 and Northfield Savings Bank $2,925,000 from the proceeds of the sale in full and final satisfaction of their claims. *See* Sale Order at paragraphs 29, 30. The Sale Order does not allocate these amounts to any particular assets sold, so it is unclear whether these payments account for liens on the same collateral that Simpson has a lien upon.

25. Further, the Disclosure Statement makes no mention of the remaining $1,125,000 that the Debtors obtained in the sale transaction, of which Simpson's liens would attach. While the Disclosure Statement does indicate that the sale price was subject to certain working capital adjustments, there is no discussion of what those adjustments were or why they may have been made. In fact, this information has never been publicly disclosed.

26. Thus, the Disclosure Statement needs to be amended to include additional disclosures related to the distribution of sale proceeds, the amount of any working capital adjustment, and the disposition of any remaining sale proceeds.

c. The Retained Causes of Action

27. The Disclosure Statement lacks sufficient information regarding the "Retained Causes of Action."

28. The Disclosure Statement defines Retained Causes of Action as "all Causes of Actions against third parties, including, without limitation, the rights and claims described in the Plan Supplement, including but not limited to any Claims or Causes of Action covered under the Insurance Policies[3] against former officers, directors, managers, principals, shareholders, direct and indirect equity holders, general partners, limited partners, agents, financial advisors, attorneys, accountants, advisors, investment bankers, consultants, employees, members, representatives and other professionals, in their capacity as such but excluding all Preference Actions and those Causes of Action expressly subject to exculpations provisions of this Plan, including those exculpated pursuant to Section 14.1(b) hereof; *provided, however*, that the Retained Causes of Action shall not include any Purchased Asset." However, there is no explanation as to what claims the Debtors actually hold, whether they are meritorious, or their potential value. This information is necessary

[3] Though capitalized in this paragraph, the term "Insurance Policies" is not defined in the Disclosure Statement.

to creditors determining whether to vote in favor of or against the Plan as it would undoubtedly impact the potential distribution that could be realized by creditors.

29. The Debtors' Liquidation Analysis (Exhibit A to the Disclosure Statement) provides the only indication of the potential value of these Retained Causes of Action. But the information is so vague as to be meaningless. The Liquidation Analysis provides an estimated value of $1,500,000 to $3,000,000 for "Net Preference Actions." The Liquidation Analysis notes, "As with all litigation, the recoveries could far exceed $3,000,000 depending on the defense of the claims by the recipients of the transfers as over $10,000,000 was transferred during the preference period." But there is no explanation for the large potential range. The Liquidation Analysis then values these "Net Preference Actions" at $0.00 under a hypothetical Chapter 7 case with no explanation whatsoever.

30. Further, Liquidation Analysis, without any explanation whatsoever, completely ignores any other non-preference causes of action that the Debtors may hold. The definition of Retained Causes of action makes mention of potential insider claims. These insider claims are never mentioned again in the Disclosure Statement or Liquidation Analysis. Presumably, these insider claims will be discussed more fully in the Plan Supplement when it is filed, but there is no discussion of their identity, value, risks, or potential insurance coverage in the Disclosure Statement.

31. Without additional information relating to the Retained Causes of Action, creditors will not have enough information to make an intelligent decision on whether to vote in favor of or against the Plan. As such, the Disclosure Statement must be amended to include a more fulsome discussion of the Retained Causes of Action.

d. The Remaining Assets

32. The Disclosure Statement lacks sufficient information regarding any other remaining assets of the Debtors.

33. While the Debtors sold substantially all of their assets pursuant to the Sale Order, certain assets were excluded from such sale. The Disclosure Statement indicates that the remaining tangible assets will be liquidated, and the proceeds will be used to fund the Plan.

34. The Disclosure Statement defines "FFE" as "the Debtors' remaining furniture, fixtures and equipment, including the Assets excluded from the Sale," but does not fully describe those assets, identify their location, or indicate whether there are liens on such assets. The Liquidation Analysis values the FFE, together with inventory and returned deposits[4] at $800,000 to $900,000 with no further analysis.

35. The Disclosure Statement must be amended to include a discussion of the remaining assets.

f. The Liquidation Analysis

36. The Disclosure Statement lacks sufficient information to allow creditors to determine whether the Plan satisfies the "best interests of creditors" test under section 1129(a)(7) of the Bankruptcy Code. Moreover, the Liquidation Analysis, attached to the Disclosure Statement as Exhibit A, is cursory and unsupported, without explaining the assumptions or methodology, or how these figures reconcile with the Debtors' historical capital structure, pre-sale operations, or the existence of any unencumbered assets.

37. The Liquidation Analysis attached to the Disclosure Statement is lacking in detail, explanation, and valuation. While not necessarily part of the Disclosure Statement, the Liquidation

[4] There is no explanation as to what these deposits are, their value, the risks associated with collecting them, or if any are subject to any liens.

Analysis is incorporated into the Plan and is a key piece of information for a creditor deciding how to vote on the Plan. Yet, the Liquidation Analysis contains little information beyond conclusory statements and merely assigns values to the Debtors' assets, with no explanation or support for why those values were assigned.

38. The Liquidation Analysis includes values of certain of the Debtors' assets but does not explain how those items were valued as discussed above.

39. Additionally, the Liquidation Analysis provides no explanation for how administrative and priority claims were estimated and whether any portion has already been paid, how professional fees were estimated and whether any portion has already been paid, or how United States Trustee fees were estimated. There is no further explanation either in the Disclosure Statement or Liquidation Analysis to support these estimates or to explain how the range was determined.

40. Further, Note 10 to the Liquidation Analysis states, "Estimated recovery percentages in Chapter 11 based on $7,316,129 of scheduled unsecured claims." Thus, the analysis clearly does not take into account any claims that may have been filed that do not match those listed in the schedules or any contested, disputed, or unliquidated claims where the claimant did not file a proof of claim. The bar date has passed, and the Debtors can easily obtain this information that would make the Liquidation Analysis more accurate. Further, to the extent that any claims identified in the schedules relate to contracts that have since been assumed, those amounts have already been paid and would reduce the total general unsecured claims pool.

41. The absence of any meaningful discussion of value to accompany the Liquidation Analysis deprives creditors of the ability to evaluate whether the Plan satisfies the best interests test under section 1129(a)(7) of the Bankruptcy Code or whether a secured creditor's treatment is

justified under section 1129(b) of the Bankruptcy Code. In effect, the Disclosure Statement presents the liquidation value as a foregone conclusion without furnishing any of the analysis required to support such conclusion. The Debtors must engage in a more robust discussion on these issues for the disclosure to be adequate.

RESERVATION OF RIGHTS

42. Neither the filing of this Objection nor anything contained herein are intended to limit, prejudice, or otherwise impact any rights of Simpson or the Simpson Parties in connection with the filing, solicitation, or confirmation of the Plan (or any other plan) or approval of the Disclosure Statement and the solicitation procedures. Simpson and the Simpson Parties hereby reserves all rights, including but not limited to the rights to (a) object on any and all grounds to (i) approval of the disclosure statement and solicitation procedures for any plan and (ii) confirmation of any plan, (b) vote on any plan, and take any other action permitted or required under the Bankruptcy Code and other applicable law, and (c) seek any other relief in connection with the foregoing.

CONCLUSION

43. For the foregoing reasons, Simpson submits that the Disclosure Statement should not be approved unless the Plan and Disclosure Statement are amended to address the infirmities raised in this Objection.

WHEREFORE, Richard Simpson respectfully requests that approval of the Disclosure Statement be denied.

Dated: November 24, 2025

CROSS & SIMON, LLC

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CERTIFICATE OF SERVICE

I, Kevin S. Mann, hereby certify that on November 24, 2025, a true and correct copy of the foregoing *Objection of Richard Simpson to Debtors' Motion for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement on an Interim Basis, (II) Scheduling a Hearing on Final Approval of the Combined Disclosure Statement and Plan, (III) Approving the Solicitation and Notice Procedures, (IV) Approving the Combined Hearing Notice, and (V) Granting Related Relief* was served upon all interested parties via CM/ECF and upon the parties listed below by electronic mail.

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