IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In Re: **WILSON CREEK ENERGY, LLC, *et al.*,**[1] **Debtors.**	**Case No.: 25-70001-JAD** **Chapter 11** ***Jointly Administered***
ELK HORN EQUIPMENT SALES AND SERVICE, LLC as successor to KIA II, LLC, **Movant,** **v.** **R&D SVONAVEC VENTURES, LLC,** **Respondent.**	**Doc. No.:** **Related to Document No.: 431**

MOTION TO ENFORCE ORDER (I) APPROVING THE SALE OF CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, (II) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (III) GRANTING RELATED RELIEF

ELK HORN EQUIPMENT SALES AND SERVICE, LLC as successor to KIA II, LLC ("**Purchaser**") files this motion ("**Motion**") to enforce this Honorable Court's *Order (I) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (II) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (III) Granting Related Relief* [ECF No. 431] ("**Sale Order**"), in the above-captioned bankruptcy case ("**Bankruptcy Case**"):

[1] The debtors ("Debtors") in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are: Wilson Creek Energy, LLC (6202); Wilson Creek Holdings, Inc. (7733); Maryland Energy Resources, LLC (5299); Mincorp Acquisition Corp. (4858); Mincorp Inc. (5688); PBS Coals, Inc. (2413); Roxcoal, Inc. (3768); Quecreek Mining, Inc. (1745), Croner, Inc. (0529); Elk Lick Energy, Inc. (8551); and Corsa Coal Corp. (0027). The Debtors' address is 1576 Stoystown Road, Friedens, Pennsylvania 15541.

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N).

2. Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a) and 363(f) of title 11 of the United States Code ("**Bankruptcy Code**").

4. On January 6, 2025 ("**Petition Date**"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors' cases are being jointly administered under Federal Rule of Bankruptcy Procedure 1015(b).

BACKGROUND

A. The Sale Motion & Bid Procedures Order

5. On January 16, 2025, the Debtors filed a *Motion for Entry of Orders (A) Approving Sale of All or Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (B) Approving Bidding Procedures for the Sale of All or Substantially All of the Debtors' Assets, (C) Authorizing the Debtors to Designate Stalking Horse Bidder and Approving Proposed Stalking Horse Bid Protections, (D) Scheduling Auction for an Hearing to Approve Sale of the Debtors' Assets, (E) Approving Form and Manner of Notice of Sale, Auction, and Sale Order Hearing, (F) Approving Assumption and Assignment Procedures, (G) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (H) Granting Related Relief* ("**Sale Motion**") [ECF No. 116].

6. On January 28, 2025, the Court entered an *Order (A) Approving Bidding Procedures for Sale of All or Substantially All of the Debtors' Assets, (B) Authorizing the Debtors to Designate Stalking Horse Bidder and Approving Proposed Stalking Horse Bid Protections, (C)*

Scheduling Auction for and Hearing to Approve the Sale of the Debtors' Assets, (D) Approving Form and Manner of Notice of Sale, Auction, and Sale Order Hearing, (E) Approving Assumption and Assignment Procedures, (F) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (G) Granting Related Relief ("**Bidding Procedures Order**") [ECF No. 193]. Thereafter, the Debtors served the *Notice of Proposed Sale of Substantially All of the Debtors' Assets, Bidding Procedures, Auction, and Sale Order Hearing* [Doc. No. 212] on all known parties in interest. *See* ECF Nos. 296, 298, and 299.

B. The Sale to KIA/Elk Horn

7. The Sale Motion resulted in three separate Sales, one of which ("**KIA Sale**") was to KIA II, LLC ("**KIA**").

8. On March 27, 2025, the Court convened a sale hearing, after which the Court entered three sale orders approving the Sales, including the KIA Sale [*See* KIA Sale Order at ECF No. 431].

9. R&D Svonavec Ventures LLC is on the mailing matrix (the "**Mailing Matrix**") in this Bankruptcy Case. [ECF No. 231-1].

10. The terms and conditions of the KIA Sale, including the total purchase price of $7,000,000.00, are set forth in the asset purchase agreement ("**APA**") attached as Exhibit A to the KIA Sale Order. [ECF No. 431, Exhibit A]. The KIA Sale Order approved the APA and the KIA Sale in all respects. [ECF No. 431 at ¶ 4].

11. Pursuant to the APA, the KIA Sale closed on April 4, 2025 ("**Closing**"). [*See* ECF No. 479].

12. Section 2.1 of the APA defines the Purchased Assets ("**Purchased Assets**") as follows:

> All of each Seller's and its Additional Sellers' respective right, title and interest in, to or under all properties, rights, claims and assets, wherever situated or located, whether real, personal or mixed, whether tangible or intangible, whether identifiable or contingent, whether owned, leased, licensed, in each case primarily used or held for use, in or primarily relating to, the Business, and whether or not reflected on the books and records of Seller, as the same shall exist on the Closing Date other than the Retained Assets (collectively, the "Purchased Assets"), which include the following:
>
> * * *
>
> (b) all Tangible Personal Property, including but not limited to that listed on Schedule 2.1(b)

[ECF No. 431, Exhibit A, § 2.1(b)].

13. "Tangible Personal Property" is defined in the APA as follows:

> "Tangible Personal Property" means all of Sellers': (i) corporate and mobile offices, (ii) vehicles, including but not limited to corporate vehicles, service trucks, vans, mechanics trucks and delivery trucks, (iii) the contents of all Purchased Real Property and warehouses, rebuild centers, maintenance shops and weld shops, including but not limited to all supplies, equipment, tools, work-in-progress, parts, computers, furniture and fixtures, other computers, supplies, liquid fuels and chemicals, (v) the equipment, tracks, high line, belt, belt drives, fans, electrical and other components and items conducive to the mining operation or infrastructure located at the Horning Mine, whether surface or subsurface and (vi) tangible personal property identified on Schedule 2.1(b), whether assembled or disassembled, and all parts, pieces, components and accessories thereof. Tangible Personal Property is inclusive of any of the foregoing items which are owned by but not in the possession or control of the Seller, such as items out for repair, replacement or other maintenance. Tangible Personal Property shall not include any items purchased Rosebud Mining Company or LCT Energy LP pursuant to each of their respective Successful Bids, as each of their respective Successful Bids are to be more particularly described in the Sale Order.

[ECF No. 431, Exhibit A, p. 9].

14. The KIA APA clearly provides for the sale of all of the Debtor's Tangible Personal Property that was not sold to Rosebud Mining Company or LCT Energy LP to Purchaser.

15. As evidenced by the *Proof of Publication* filed on March 4, 2025 [ECF No. 316], the Debtors provided public notice of the Sale Process. [*See also* ECF No. 124 (Certificate of

Service stating Svonavec was served the Sale Motion and other related pleadings at 360 Valley Dr., Somerset, PA 15501); ECF No. 433 (Certificate of Service stating Svonavec was served with notice of hearing on Sale Motion); ECF No. 454 (Certificate of Service stating Svonavec was served with the KIA Sale Order); ECF No. 527, ¶ 11 (Court finds that "public notice of the Sale Process is sufficient notice to parties in interest.")].

C. Svonavec Sells Four Trailers to Debtor PBS Coals

16. Prior to the Petition Date, one of the Debtors, PBS Coals, Inc. ("**PBS**"), and Respondent, R&D Svonavec Ventures LLC ("**Svonavec**"), executed an Agreement of Sale ("**Agreement of Sale**") dated July 9, 2024, a true and correct copy of which is attached hereto as Exhibit "A".

17. Pursuant to the Agreement of Sale, PBS agreed to purchase from Svonavec, and Svonavec agreed to sell to PBS, four trailers defined therein as "a 2008 Talbert Trailer bearing VIN number 71907654502; a 2008 Talbert Trailer bearing VIN number 71907803202; a 2008 Talbert Trailer bearing VIN number 71907999602; and a 2008 Talbert Trailer bearing VIN number 71907890502" ("**Trailers**"). Exhibit A, p. 1.

18. The Agreement of Sale clearly provided that (i) the Trailers were sold to PBS and PBS owned them; (ii) Svonavec was supposed to have the Trailers titled in the name of PBS and to note a lien on the Certificates of Title for each of the Trailers; (iii) that Svonavec was to be a secured creditor with a lien on the Trailers. Upon information and belief, Svonavec failed to re-title the Trailers in the name of PBS.

19. A judgment note ("**Judgment Note**") was also executed on July 9, 2024, whereby PBS promised to pay $325,000.00 to Svonavec. A true and correct copy of the Judgment Note is attached as Exhibit "B".

20. At the time the bankruptcy was filed, the remaining balance due on the Judgment Note was $104,000.00.

21. Despite being aware of the Bankruptcy Case and Sale, Svonavec never filed any response to the Sale Motion or KIA Sale Order.

D. Svonavec Violates The KIA Sale Order

22. After the Closing on the sale of the Purchased Assets, counsel for Purchaser contacted counsel for Svonavec to make arrangements to pay the balance due on the Judgment Note and to obtain title to the Trailers pursuant to the APA and Sale Order as the Trailers were Tangible Personal Property of Debtor PBS that was sold to Purchaser.

23. On June 13, 2025, Svonavec's counsel, Jeffrey Ross, Esq. of Harold Shepley & Associates, LLC, contacted KIA's counsel via telephone and demanded immediate return of the equipment and payment of $230,000.00 for the Trailers. Mr. Ross also threatened Purchaser with civil suit **and criminal prosecution** for conversion of the Trailers by email dated July 3, 2025, sent to Brandon O'Connor, KIA's counsel. A true and correct copy of the July 3, 2025 email is attached hereto as Exhibit "C".

24. Following counsels' communications on June 13, 2025, on June 18, 2025, separate counsel for Svonavec, Patrick Svonavec, Esq. of Barbera, Melvin & Svonavec, LLP, transmitted to KIA's counsel a proposed Equipment Purchase Agreement ("**Proposed Equipment Purchase Agreement**") demanding payment of $230,000.00 for the purchase of the Trailers or immediate return of the Trailers. A true and correct copy of the email and Proposed Equipment Purchase Agreement is attached hereto as Exhibit "D".

25. The actions taken by Svonavec's counsel after the Closing constitute actions adversely affecting or interfering with the Debtors' ability to transfer the Purchased Assets to KIA

in accordance with the Sale Agreement and KIA Sale Order, in clear violation of the permanent injunction provision included in the KIA Sale Order prohibiting the same. [ECF No. 431, ¶ 11].

RELIEF REQUESTED

26. KIA, as purchaser of the Purchased Assets, respectfully requests that this Honorable Court enter an Order (i) enforcing the KIA Sale Order, (ii) finding that the Trailers were included as Purchased Assets under the KIA Sale Order, (iii) holding that the Trailers were purchased by KIA subject to Svonavec's alleged lien on the Trailers; (iv) finding that Svonavec's alleged lien on the Trailers is $104,000.00; and (iv) awarding sanctions for the Respondent's violations of the KIA Sale Order.

BASIS FOR RELIEF

27. The Trailers were clearly included in the Purchased Assets as broadly defined by the APA and KIA Sale Order.

28. The APA and KIA Sale Order defined Purchased Assets to include the Debtors' Tangible Personal Property. *See* KIA Sale Order, ¶¶ 6.A, 6.F.

29. The Trailers constitute Tangible Personal Property owned by the Debtors as of the Petition Date and the date of the Closing. *See* Exhibit A.

30. While certain assets were explicitly excluded from the Purchased Assets as defined in the APA, the Trailers were not included in any exclusions.

31. Accordingly, pursuant to the KIA Sale Order, the Trailers were sold to KIA and all title to and interest in the same now vests in Elk Horn as assignee to KIA. [ECF No. 431, Exhibit A, ¶ 2.1].

32. Svonavec's failure to object to the KIA Sale Order constitutes its consent to the Sale. *In re Te Holdcorp LLC*, No. 22-1807, 2023 U.S. App. LEXIS 2029, at *8 (3d Cir. Jan. 26,

2023) ("We agree with the Seventh Circuit that 'lack of objection (provided of course there is notice) counts as consent' under 11 U.S.C. § 363.") (citing *FutureSource LLC v. Reuters Ltd.*, 312 F.3d 281, 285 (7th Cir. 2002)).

33. Even if Svonavec had objected to the KIA Sale Order, it does not have a basis to object so long as its alleged secured claim is paid. 11 U.S.C. § 363(f)(3); *Darby v. Zimmerman (In re Popp)*, 323 B.R. 260, 265 (B.A.P. 9th Cir. 2005) ("With respect to lien holders, the Code supplements the list of challenges by allowing a secured creditor to object to a sale free and clear unless that secured creditor's claim is paid in full.").

34. As the valid purchaser of the Trailers, KIA intends to pay Svonavec $104,000.00, representing the current value of Svonavec's remaining lien on the Trailers. [*See* ECF No. 431, Exhibit A, p. 7; *id.* at ¶ 2.1 (providing that the "Purchaser . . . shall purchase . . . free and clear of all Liens . . . other than the Permitted Liens, all . . . right, title and interest in. . . the Purchased Assets")].

35. However, as evidenced by the July 3, 2025 email from Mr. Ross to Mr. O'Connor, Svonavec is refusing to accept payment in satisfaction of the alleged lien on the Trailers, as authorized by the APA and KIA Sale Order. *See* Exhibit C.

36. Instead, Svonavec is baselessly demanding payment from KIA in an amount based on the Trailer's "current value." Exhibit C (amending its prior demand of $230,000.00 to "$185,000.00, . . . represent[ing] a $50,000.00 discount of [the Trailers'] current value.").

37. Svonavec has no right to payment of the fair market value of the Trailers, as it does not own the Trailers. At the time of the Petition Date and the Closing, the Trailers were owned by the Debtor, and at Closing, title to the Trailers transferred to KIA.

38. Accordingly, Svonavec is entitled only to the value of its alleged lien on the Trailers.

39. Svonavec's demand for payment of anything other than the amount of its alleged lien on the Trailers is a violation of the APA and KIA Sale Order. [ECF No. 431, ¶ 11 ("Permanent Injunction. All persons and entities are prohibited and enjoined from taking any action to adversely affect or interfere with the ability of the Debtors to transfer the Purchased Assets to the Buyer in accordance with the Sale Agreement and this Order. . . .")].

40. Alternatively, if the Trailers were in fact not sold to KIA pursuant to the APA and KIA Sale Order, the Trailers remained property of the Debtors' estate and Svonavec's attempts to take possession of the Trailers would be a blatant violation of the automatic stay provisions of 11 U.S.C. § 362. *See* Exhibit C ("My clients would like to retrieve their property").[2]

41. Although KIA is the holder of a bill of sale of the Trailers from the Debtors and has conveyed in writing to Svonavec that it intends to pay any outstanding amount remaining on Svonavec's lien on the Trailers, Svonavec is threatening to criminally prosecute KIA and take possession of the Trailers, in violation of the Bankruptcy Code's automatic stay.

CONCLUSION

42. The Trailers were assets of the Debtors and were properly sold to KIA pursuant to the requirements and protections of the Bankruptcy Code and final orders of this Court.

43. By failing to convey title of the Trailers to KIA, Svonavec is in violation of court orders and/or the automatic stay.

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[2] In his email dated July 3, 2025, Mr. Ross also refers to a "default event" providing Svonavec with the right to repossess the Trailers. Exhibit D. While Svonavec may have had a right to repossess the Trailers prior to the Petition Date, Svonavec took no action to do so, and the Trailers have since been sold through a valid Sale Process under the Bankruptcy Code.

WHEREFORE, the undersigned respectfully requests that this Honorable Court enter an Order (i) enforcing the KIA Sale Order, (ii) finding that the Trailers were included as Purchased Assets under the KIA Sale Order, (iii) holding that the Trailers were purchased by KIA subject to Svonavec's alleged lien on the Trailers; (iv) finding that Svonavec's alleged lien on the Trailers is $104,000.00; and (iv) awarding sanctions for the Respondent's violations of the automatic stay and the injunction in the Sale Order.

Respectfully submitted,

Dated: July 8, 2025

TUCKER ARENSBERG, P.C.

/s/ Michael A. Shiner
Michael A. Shiner (PA ID 78088)
1500 One PPG Place
Pittsburgh, PA 15222
(412) 566-1212
mshiner@tuckerlaw.com

Counsel for KIA II, LLC and Elk Horn Equipment Sales and Service, LLC, as successor to KIA II, LLC

EXHIBIT A

AGREEMENT OF SALE
(Equipment)

MADE and CONCLUDED this 9th day of July, 2024, **BY and BETWEEN** R&D Svonavec Ventures, LLC, a Pennsylvania Limited Liability Company, 360 Valley Drive, Somerset, Pennsylvania 15501, hereinafter referred to as "Seller",

AND

PBS Coals, Inc, a Delaware Corporation, maintaining a business and mailing address of 1576 Stoystown Road, PO Box 260, Friedens, Pennsylvania 15541 hereinafter referred to as "Buyer".

WHEREAS, Seller is the owner of Four (4) trailers, to wit: a 2008 Talbert Trailer bearing VIN number 71907654502; a 2008 Talbert Trailer bearing VIN number 71907803202; a 2008 Talbert Trailer bearing VIN number 71907999602; and a 2008 Talbert Trailer bearing VIN number 71907890502 (the "Trailers"), and,

WHEREAS, Seller desires to sell and Buyer desires to purchase said Trailers.

NOW, THEREFORE, WITNESSETH THIS AGREEMENT THAT, for and in consideration of the mutual covenants and agreements herein contained, the parties hereto do hereby covenant and agree as follows:

1. **Sale of Equipment.** On the terms and conditions hereof and the performance by each of the parties hereto of their respective obligations, Buyer agrees to purchase from Seller and Seller agrees to sell and deliver to Buyer on the closing date the Trailers.

2. **Purchase Price.** Subject to the terms and conditions of this Agreement, and in full consideration for the transfer and delivery of the assets, Buyer agrees to pay to Seller, the total purchase price of THREE HUNDRED TWENTY-FIVE THOUSAND AND 00/100 ($325,000.00) DOLLARS, together with interest at the rate of 5.5%. Payments shall be made to

Seller under the terms of Judgment Note. A copy of the Judgment Note and amortization/payment schedule are attached hereto.

3. **Equipment to be Sold .** The Trailers are to be sold and conveyed to Buyer "as-is" and free and clear of all liens and encumbrances. The Seller shall be entitled to place a first lien on the titles to the Trailers while any balance of the purchase and interest remain outstanding.

4. **Possession and Removal.** At closing, Seller shall deliver to Buyer possession of the Trailers. Moreover, at closing and prior to Buyer taking possession of the Trailers, Buyer and Seller agree to appear before a proper notary-public to have the Trailer titles transferred in to Buyer's name and to further allow Seller to place and perfect a first lien on the Trailer titles. The titles to the Trailers following closing shall be held by Seller until final payment of all sums due to Seller under the terms of this agreement and the Judgment Note evidencing the debt due.

5. **Seller Representations.** Seller hereby represents and warrants to Buyer as follows:

(a) Seller is not aware of any actions, suits or proceedings pending or threatened against Seller or affecting the assets that are the subject hereto.

(b) Seller is not in violation of any material term or provision of any contract, lease, agreement, instrument, judgment, decree, order, statute, rule or regulation and the execution and delivery of and performance and compliance with this Agreement will not result in the violation of or be in conflict with or constitute a default under any such term or provision or result in the creation of any lien, encumbrance or charge on the asset of Seller pursuant to any such term or provision.

(c) Seller has good. absolute and marketable title to the assets being sold to Buyer pursuant to this Agreement, which assets are held by Seller in each case subject to no lease, mortgage, pledge, lien, charge, security interest, encumbrance or restriction whatsoever.

(d) Seller is a Limited Liability Company duly formed and validly existing under the laws of the Commonwealth of Pennsylvania and the undersigned is authorized to execute this agreement on behalf of the Seller.

6. **Buyer Representations.**

(a) Buyer represents and warrants it is a corporation, organized in accordance with the laws of Delaware, and is authorized to conduct business in the Commonwealth of Pennsylvania.

(b) Buyer represents and warrants that the undersigned is authorized to execute this agreement and that Buyer will be bound by the terms of this agreement and by all attachments hereto upon execution of the same.

(c) Buyer represents and warrants that the execution and delivery of this Agreement and attachments, the consummation of the transaction herein contemplated, and the compliance with the terms and conditions of this agreement and attachments will not conflict with the Articles of Incorporation or Bylaws of Buyer.

7. **Closing.** The delivery of possession of the Trailers shall take place upon execution and delivery of a fully executed copy of this agreement together with the first payment of TWENTY-FIVE THOUSAND and 00/100 DOLLARS from Buyer to Seller.

8. **Fire or Casualty.** Seller assumes all risk of destruction, loss or damage due to fire or other casualty on any of the assets being transferred hereunder up to the date of closing. In the event of destruction, loss or damage due to fire or other casualty of a material part of the Trailers prior to closing, Buyer shall have the option to terminate this Agreement and all rights of Buyer and Seller shall terminate. Buyer shall notify Seller within ten (10) days after receipt of written notice from Seller of said destruction, loss or damage due to fire or other casualty of its decision to terminate this Agreement. If Buyer does not timely notify Seller of termination, this Agreement shall remain in full force and effect; provided, however, that the purchase price shall be adjusted at the closing to reflect such destruction, loss or damage in such amount as the parties can agree.

9. **Insurance.** Buyer agrees to keep the Trailers adequately insured against loss by fire and all other casualty with comprehensive coverage and, in addition thereto, shall provide liability insurance on the Trailers, covering all parties to this Agreement, in reasonable amounts agreeable to all of the parties hereto.

10. **Payments/Notices.** All payments due and notices hereunder shall be given at the following addresses:

If to Seller: R&D Svonavec Ventures, LLC
360 Valley Drive
Somerset, Pennsylvania 15501

If to Buyer: PBS Coals, Inc.
PO Box 260
1576 Stoystown Road
Friedens, Pennsylvania 15541

11. **Indemnify and Hold Harmless.** Buyer agrees to indemnify and hold harmless Seller from any and all liabilities associated with the asset following the closing and transfer of possession of the assets and the assignment of the lease.

12. **Survival of Representations.** All representations or statements set forth herein shall survive the consummation act of the execution of this Agreement.

13. **Complete Agreement.** This Agreement constitutes the entire agreement between the parties hereto, and no agreement, representation, warranty or otherwise not set forth specifically herein shall be binding upon the parties hereto.

14. **Pennsylvania Law.** This Agreement is made under and shall be construed in accordance with the laws of the Commonwealth of Pennsylvania and the resolution of any disputes which may arise out of this Agreement and the closing of this transaction shall be in the Court of Common Pleas of Somerset County, Pennsylvania.

15. **Assignment.** This Agreement shall not be assigned by either party hereto without the prior written consent of the other party hereto, and any such attempt at assignment without such prior written notice shall be null and void.

16. **Binding Nature.** This Agreement shall be binding upon and inure to the benefit of the respective parties hereto, their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Agreement to be duly executed the day and year first above written.

Witness:

R&D SVONAVEC VENTURES, LLC

By: ______________________
Richard L. Svonavec, Member

Attest:

____
Secretary

PBS COALS, Inc.

By: ______________________
Kevin M. Harrigan, President and CEO

EXHIBIT B

JUDGMENT NOTE

Amount: $325,000.00

Dated: July 9, 2024

FOR VALUE RECEIVED, the undersigned, PBS Coals, Inc. a Delaware Corporation, of 1576 Stoystown Road, P.O. Box 260, Friedens, Pennsylvania 15541, (hereinafter collectively referred to as the "Undersigned") promise to pay to the order of the holder hereof the principal sum of THREE HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS ($325,000.00) together with interest at the rate of 5.5% percent per annum compounded monthly as follows:

> The said principal sum together with interest at the rate of 5.5% per annum compounded monthly shall be paid by the Undersigned to the holder hereof, over a thirteen (13) month period in equal monthly installments of TWENTY FIVE THOUSAND EIGHT HUNDRED NINE AND 42/100 DOLLARS ($25,809.42) with the first such installment due and payable on the first day of July, 2024, and a like sum due and payable on the first day of each month thereafter until the entire principal and interest are paid in full. The monthly installments shall be allocated first to all interest due and the balance applied to the principal debt; said yearly installments being calculated to pay the principal and interest in full over a period of thirteen (13) months. The Undersigned hereby reserves the right to prepay any part or all of the unpaid principal balance in whole or in part at any time without penalty.

and any balance of principal or interest remaining unpaid on July 1, 2025, shall become due and payable on said date; and in addition thereto, in the event any payment provided for herein shall become overdue, the Undersigned agrees to pay a late charge in an amount not exceeding six percent (6%) of any such overdue payment as compensation for the additional service resulting from the default; all payments to be at 360 Valley Drive, Somerset, Pennsylvania 15501, or elsewhere as shall be directed by any holder hereof.

This Note shall be evidenced by the filing of a First Lien on Titles given to secure its payment and shall cover and be security for the financing of the purchase of certain Trailers made to the Undersigned.

In case default be made for the space of ten (10) days in the payment of any installment of principal or interest, or in the performance by the Undersigned of any of the other obligations of this Note, the entire unpaid balance of the principal debt and all other sums paid by any holder hereof to or on behalf of the Undersigned pursuant to the terms of this Note, together with unpaid interest thereon, shall at the option of the holder and without notice become immediately due and payable, and one or more executions may forthwith issue on any judgment or judgments obtained by virtue hereof; and no failure on the part of any holder hereof to exercise any of the rights hereunder shall be deemed a waiver of any such rights or of any default hereunder.

The Undersigned hereby empowers any attorney of any court of record within the United States of America or elsewhere to appear for the Undersigned and, with or without complaint filed, confess judgment, or a series of judgments, against the Undersigned in favor of any holder hereof, as of any term, for the unpaid balance of the principal debt and all other sums paid by the holder hereof to or on behalf of the Undersigned pursuant to the terms of this Note, together with unpaid interest thereon, costs of suit and an attorney's commission for collection of five (5%) percent of the total indebtedness or ONE THOUSAND AND 00/100 DOLLARS ($1,000.00), whichever is the larger amount, on which judgment or judgments one or more executions may issue forthwith upon failure to comply with any of the terms and conditions of this Note. The Undersigned hereby forever waives and releases all errors in said proceedings, waives stay of execution, the right of inquisition and extension of time of payment, agrees to condemnation of any property levied upon by virtue of any such execution, and waives all exemptions from levy and sale of any property that now is or hereafter may be exempted by law.

This obligation shall bind the Undersigned and the Undersigned's successors and/or assigns, and the benefits hereof shall inure to the payee hereof and his heirs, executors, administrators and assigns.

This Note is further secured by the filing of First Liens on the titles to the Trailers sold to the Undersigned.

THIS NOTE IS GIVEN FOR AN OBLIGATION THAT IS COMMERCIAL IN NATURE AND NOT A CONSUMER LOAN.

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IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Judgment Note to be executed the day and the year first above written.

UNDERSIGNED:

Attest:

Daniel M Bonacci

PBS Coals, Inc.,

By: ______________________
Its: President and CEO

EXHIBIT C

From: Jeffrey Ross <jross@ShepleyLaw.com>
Sent: Thursday, July 3, 2025 5:22 PM
To: O'Connor, Brandon <boconnor@tuckerlaw.com>
Subject: RE: Svonavec

Brandon:

I am sorry it has taken so long to get back to you on this matter. My clients would like to retrieve their property with the voluntary cooperation of your client. The agreement of purchase was not properly assigned through the bankruptcy and my clients were not given any notice that it was being assigned, transferred or assumed. Further, there was a default event in the form of non-payment which has given my clients the right to repossess. Further, my clients hold title.

We would be willing to enter a new agreement for purchase of the trailers for $185,000.00, but we will not finance the purchase – it has to be cash on the barrelhead. This represents a $50,000.00 discount of their current value.

Please let me know your position ASAP, but should I not hear from you by the 11 July 2025, my clients have indicated that they will pursue any and all other civil and criminal avenues to obtain their property. Thank you.

Jeff

From: O'Connor, Brandon <boconnor@tuckerlaw.com>
Sent: Friday, June 13, 2025 3:00 PM
To: Jeffrey Ross <jross@ShepleyLaw.com>
Subject: Svonavec

Jeff -

Glad we connected. Attached is the agreement sent to my client yesterday to present for the purchase. Also attached are the underlying purchase agreements referenced on the phone.

Let's keep the line of communication open as discussed and get this resolved so your clients are not left feeling they are holding the bag.

Thanks,

Brandon S. O'Connor, Esq. | *Attorney at Law*
Tucker Arensberg, P.C.
One PPG Place, Suite 1500 | Pittsburgh | PA 15222
717-221-7950 | **412-594-5619**
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EXHIBIT D

From:	Patrick P. Svonavec, Esq.
To:	O"Connor, Brandon
Subject:	Elkhorn purchase from R&D Svonavec Ventures, LLC
Date:	Wednesday, June 18, 2025 8:50:36 AM
Attachments:	Equipment Purchase Agreement (R&D Svonavec Ventures, LLC and Elk Horn Equipment Sales and Service, LLC).pdf

Attorney O'Connor,

Attached is the signed agreement of sale for the trailers owned by my client R&D Svonavec Ventures, LLC. I inserted the dollar figure my client is willing to sell the trailers. If your client is also willing to purchase for this figure, please have them sign and return a copy to me. I expect that a check will in fact be immediately provided to my client which may be paid via delivery of the check to my office. If your client is not willing to comply with these terms I ask that the Trailers be immediately made available for my client's retrieval. Please contact me with any questions or concerns.

Patrick P. Svonavec, Esq.

Barbera, Melvin & Svonavec, LLP
146 West Main Street | Post Office Box 775
Somerset, Pennsylvania 15501-0775
814-443-4681 phone | 814-443-2422 fax
psvonavec@barberalaw.com email | www.barberalaw.com

EQUIPMENT PURCHASE AGREEMENT

This Equipment Purchase Agreement ("Agreement") is entered into by and between **R&D SVONAVEC VENTURES, LLC**, a Pennsylvania limited liability company ("Seller") and **ELK HORN EQUIPMENT SALES AND SERVICE, LLC,** a Delaware limited liability company ("Buyer")

For the total sum of TWO HUNDRED THIRTY THOUSAND AND 00/100 DOLLARS ($230,000.00) by Seller from Buyer, the receipt of which is hereby acknowledged, the undersigned do hereby covenant, contract and agree as follows:

1. **SALE OF EQUIPMENT AND RELATED MATERIALS**: Seller hereby sells, conveys and transfers to Buyer all rights, title and interest in and unto the equipment set forth hereto and attached as Exhibit A (hereinafter referred to collectively as "Equipment"). Seller further agrees to provide Buyer with all available information relating to the operation of the Equipment. Such information shall include available manuals, guides, specifications, procedures, processes, patterns, instructions, and any other documents. Seller shall deliver to Buyer an executed Bill of Sale for the Equipment in the form attached hereto as Exhibit B.

2. **SELLER REPRESENTATIONS**: Seller represents and warrants to Buyer that (a) Seller has good and marketable title to the Equipment; (b) the Equipment is free and clear of all security interests, liens, title retention agreements and other encumbrances or such encumbrances will be cleared at the time of closing; and (c) Seller has full right, power and authority to convey the Equipment to Buyer, (d) Seller will sign all appropriate paperwork, including but not limited to appearing before a proper notary public to effectuate the transfer of the title(s) to the Equipment at the time of closing.

3. **ACCEPTANCE OF EQUIPMENT**: Buyer acknowledges that it has had the opportunity to inspect the Equipment prior to entering into this Agreement and taking possession of the Equipment. Buyer acknowledges that the Equipment is in good working order and condition, that Buyer is satisfied with same, and that Seller has made no representation or warranty, express or implied, with respect to such Equipment. All Equipment is sold in an "as is, where is" condition.

4. **SUCCESSORS AND ASSIGNS**: This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

5. **GOVERNING LAW**: This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania.

6. **COUNTERPARTS**: This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which when taken together shall constitute one and the same instrument.

[Signature Page to Follow]

EXECUTED THIS 17 DAY OF JUNE 2025:

SELLER	**BUYER**
R&D SVONAVEC VENTURES, LLC	**ELK HORN EQUIPMENT SALES AND SERVICE, LLC**
By: [signature]	By:
Name: Richard Svonavec	Name:
Title: Member	Title:
Date: 06-17-2025	Date:

Exhibit A

Four (4) trailers:

2008 Talbert Trailer, VIN 71907654502

2008 Talbert Trailer, VIN 71907803202

2008 Talbert Trailer, VIN 71907999602

2008 Talbert Trailer, VIN 71907890502

Exhibit B

BILL OF SALE

For good and valuable consideration, the receipt of which is hereby acknowledged, **R&D SVONAVEC VENTURES, LLC**, a Pennsylvania limited liability company ("Seller") does hereby sell, assign, transfer, convey and set over to **ELK HORN EQUIPMENT SALES AND SERVICE, LLC**, a Delaware limited liability company ("Buyer"), all of Seller's right, title, and interest in and to the following Equipment:

2008 Talbert Trailer, VIN 71907654502

2008 Talbert Trailer, VIN 71907803202

2008 Talbert Trailer, VIN 71907999602

2008 Talbert Trailer, VIN 71907890502

TO HAVE AND TO HOLD the Equipment unto Buyer and Buyer's successors and assigns forever.

This Bill of Sale is made subject to, and with the benefit of, only those representations, warranties, covenants, terms, conditions, and other provisions that are set forth in the Equipment Purchase Agreement (the "Purchase Agreement") between the Buyer and Seller.

Capitalized terms used herein, but not defined, shall have the meanings given to such terms in the Purchase Agreement. This Bill of Sale shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns. This Bill of Sale shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as June __, 2025.

SELLER: **R&D SVONAVEC VENTURES, LLC**

By:_______________________________
Name: ______________________
Title: ______________________

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In Re: **WILSON CREEK ENERGY, LLC, *et al.*,**[3] **Debtors.**	**Case No.: 25-70001-JAD** **Chapter 11** ***Jointly Administered***
ELK HORN EQUIPMENT SALES AND SERVICE, LLC as successor to KIA II, LLC, **Movant,** **v.** **R&D SVONAVEC VENTURES, LLC,** **Respondent.**	**Doc. No.:** **Related to Document No.: 431**

PROPOSED ORDER

AND NOW, this _______ day of July 2025, upon consideration of the *Motion to Enforce Order (i) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (ii) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (iii) Granting Related Relief* ("**Motion**"), it is hereby ORDERED, ADJUDGED, and DECREED that:

1. The Motion is GRANTED;

2. The sale of certain debtors' assets to KIA II, LLC ("**KIA**") pursuant to the *Order (i) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims,*

[3] The debtors ("Debtors") in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are: Wilson Creek Energy, LLC (6202); Wilson Creek Holdings, Inc. (7733); Maryland Energy Resources, LLC (5299); Mincorp Acquisition Corp. (4858); Mincorp Inc. (5688); PBS Coals, Inc. (2413); Roxcoal, Inc. (3768); Quecreek Mining, Inc. (1745), Croner, Inc. (0529); Elk Lick Energy, Inc. (8551); and Corsa Coal Corp. (0027). The Debtors' address is 1576 Stoystown Road, Friedens, Pennsylvania 15541.

Encumbrances, and Other Interests, (ii) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (iii) Granting Related Relief filed at ECF No. 431 ("**Order**") remains valid;

3. Respondent R&D Svonavec Ventures, LLC ("**Svonavec**") shall fully comply with its obligations under the Order, and all findings and provisions set forth in the Order shall remain fully enforceable, including but not limited to the following:

   a. The trailers identified as Talbert Trailers bearing VIN numbers 71907654502, 71907803202, 71907999602, and 71907890502 ("**Trailers**") constitute Purchased Assets under the Order;

   b. The Trailers were purchased pursuant to the Order by KIA subject to Svonavec's alleged lien on the Trailers; and

   c. Svonavec holds a secured lien against the Trailers in the amount of $104,000.

4. Within ______ days of the date of this Order, Svonavec is directed to remit payment in the amount of $_______________ to KIA as sanctions for Svonavec's violations of the automatic stay and the injunction provision contained in the Order.

BY THE COURT:

____

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In Re: **WILSON CREEK ENERGY, LLC, *et al.*,[4]** **Debtors.**	**Case No.: 25-70001-JAD** **Chapter 11** ***Jointly Administered***
ELK HORN EQUIPMENT SALES AND SERVICE, LLC as successor to KIA II, LLC, **Movant,** **v.** **R&D SVONAVEC VENTURES, LLC,** **Respondent.**	**Doc. No.:** **Related to Document No.: 431**

CERTIFICATE OF SERVICE

I certify that on July 8, 2025, I served or caused to be served a copy of the foregoing *Motion to Enforce Order (i) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (ii) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (iii) Granting Related Relief* upon each of the persons and parties in interest via operation of the Court's electronic filing system.

/s/ Michael A. Shiner
Michael A. Shiner

[4] The debtors ("Debtors") in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are: Wilson Creek Energy, LLC (6202); Wilson Creek Holdings, Inc. (7733); Maryland Energy Resources, LLC (5299); Mincorp Acquisition Corp. (4858); Mincorp Inc. (5688); PBS Coals, Inc. (2413); Roxcoal, Inc. (3768); Quecreek Mining, Inc. (1745), Croner, Inc. (0529); Elk Lick Energy, Inc. (8551); and Corsa Coal Corp. (0027). The Debtors' address is 1576 Stoystown Road, Friedens, Pennsylvania 15541.