IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§ Chapter 11
TM36, LLC, *et al.*	§ Case No. 26-90386 (ARP)
Debtors.[1]	§ (Jointly Administered)

OBJECTION TO PROOF OF CLAIM OF INSURED ADVOCACY GROUP, LLC
[Relates to Claim No. 9-1]

THIS IS AN OBJECTION TO YOUR CLAIM. THIS OBJECTION ASKS THE COURT TO DISALLOW THE CLAIM THAT YOU FILED IN THIS BANKRUPTCY CASE. IF YOU DO NOT FILE A RESPONSE WITHIN 30 DAYS AFTER THE OBJECTION WAS SERVED ON YOU, YOUR CLAIM MAY BE DISALLOWED WITHOUT A HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors") seek entry of an order disallowing Proof of Claim No. 9-1 (the "IAG Claim"), filed by Insured Advocacy Group, LLC ("IAG"). The IAG Claim is attached hereto as **Exhibit A**. In support of this objection (the "Objection"), the Debtors respectfully represent as follows:

Jurisdiction and Venue

1. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent to the entry of a final order by the Court. Venue is proper pursuant to 28 U.S.C. § 1408.

[1] The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification number, are TM36, LLC (5051), StopLoss Specialists, LLC (3801), StopLoss, LLC (8840), StopLoss Response Services, LLC (3350), and StopLoss Logistics, LLC (3569). The Debtors' service address is: 716 S. Frio Street, Suite 110, San Antonio, TX 78207.

2. The statutory bases for the relief requested herein are section 502(b) of title 11 of the United States Code (the "Bankruptcy Code"), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rules 3007-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules"), and the Procedures for Complex Cases in the Southern District of Texas.

Background

3. On March 5, 2026 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). The Debtors continue to operate their business and manage their property as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. The Debtors' Chapter 11 Cases are being jointly administered. On April 24, 2026, the United States Trustee appointed the official committee of unsecured creditors (the "Committee").

4. Additional information regarding the Debtors and the Chapter 11 Cases, including the Debtors' business operations, capital structure, financial condition, and the reasons for and objectives of the Chapter 11 Cases, is set forth in the *Declaration of Pablo Bonjour in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration").[2]

a. Prepetition Relationship with IAG

5. The Debtors were party to a prepetition factoring agreement (the "Agreement") with Insured Advocacy Group, LLC ("IAG") with respect to invoices on several construction and remediation projects. Under the Agreement, StopLoss Specialists factored some—but not all—of the invoices related to the covered projects.

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Day Declaration.

6. IAG breached such Agreement by not paying for certain factored invoices in a timely manner, causing the Debtors to incur claims that they could not pay, which, in turn, resulted in the termination of a major project the Debtors had with a third party for the restoration of a skyscraper (the "Renaissance Project"). StopLoss Specialists brought suit against IAG in the U.S. District Court for the Southern District of New York for breach of contract and tortious interference for failing to pay sums related to invoices in the Renaissance Project. *See StopLoss Specialists, LLC v. Insured Advocacy Group, LLC, et al.*, Case No. 1:25-cv-06339-DEH (S.D.N.Y.) (the "SDNY Litigation"). StopLoss Specialists voluntarily dismissed the SDNY Litigation on March 12, 2026, and StopLoss Specialists LLC and StopLoss LLC refiled the claims as Adversary Proceeding No. 26-3072 before this Court.[3]

b. The IAG Claim

7. On August 4, 2025, IAG commenced Case No. 01-25-0001-1844 (the "Arbitration") against StopLoss Specialists, Scott Butaud, and John Lewis before the American Arbitration Association. The IAG Claim attaches the Statement of Claim from the Arbitration as support. The Arbitration was dismissed for lack of prosecution.

8. As against StopLoss Specialists, the Statement of Claim alleged that StopLoss Specialists breached the Agreement and the representations and warranties under the Agreement with respect to invoices or accounts on three projects: (1) the Suburban Extended Stay Facility (the "Suburban Project"); (2) the Lee Ho Village Townhome Association (the "Lee Ho Project"); and (3) Fortune Property Management LLC (the "Fortune Project").

9. Relying on the allegations in the Arbitration, IAG asserts a general unsecured claim in an unknown amount based on "Breach of Contract, Fraud in the Inducement." The Statement

[3] The defendants in this litigation consented to this Court's jurisdiction.

of Claim, attached to the IAG Claim, alleges the claims for "Fraud in the Inducement" against only Scott Butaud and John Lewis, who are non-Debtors.

10. The Debtors deny the factual allegations asserted in Counts I – III of the Statement of Claim with respect to any alleged breach by the Debtors.

Objection

11. IAG's position throughout these Chapter 11 Cases has been that it purchased the relevant accounts receivable and thus such accounts are not property of the estates. *See* Docket No. 182 (the "IAG DIP Objection"), ¶ 40. Accordingly, IAG assumed the risk of nonpayment by virtue of purchasing the relevant accounts. It cannot now seek to recover against StopLoss Specialists in the face of diminished prospects for recovery on the accounts due to its own failure of diligence when it purchased the accounts.

12. IAG has taken the position numerous times before this Court that it owns the receivables that it purchased and the Debtors cannot collect them. The IAG Claim takes the opposite position and seeks a monetary claim against StopLoss Specialists based on a contractual repurchase obligation. If the IAG Claim were allowed, it would mean that the Debtors, not IAG, own all of their receivables and IAG would only have a general unsecured claim for the amount of the repurchase obligation. IAG is undertaking no efforts to actively collect the accounts receivable while simultaneously taking the position that it can block the Debtors from doing so. IAG must either withdraw this claim and collect the receivables, or, if it wants to pursue this clam, must act as an unsecured creditor and allow the Debtors to collect the receivables. IAG cannot have it both ways.

13. Section 502 of the Bankruptcy Code provides: "[a] claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects." 11 U.S.C. §502(a). Section 502 also provides that "if such objection to a claim is

made, the court . . . shall determine the amount of such claim . . . and shall allow such claim in such amount, except to the extent that such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law . . . ." 11 U.S.C. §502(b). Pursuant to Bankruptcy Local Rule 3007-1(b), "[a]n objection to claim may be filed without a hearing date."

14. As set forth in Bankruptcy Rule 3001(f), a properly executed and filed proof of claim constitutes *prima facie* evidence of the validity and the amount of the claim under section 502(a) of the Bankruptcy Code. *See, e.g., In re Jack Kline Co., Inc.*, 440 B.R. 712, 742 (Bankr. S.D. Tex. 2010) (holding that "a proof of claim is *prima facie* evidence of the pre-petition debt owed"); *In re Tran*, 351 B.R. 440, 444 (Bankr. S.D. Tex. 2006), *aff'd*, 369 B.R. 312 (S.D. Tex. 2007) (holding that "[a] properly filed proof of claim is *prima facie* evidence of the validity and amount of the claim."). A proof of claim loses the presumption of *prima facie* validity under Bankruptcy Rule 3001(f) if an objecting party refutes at least one of the allegations that are essential to the claim's legal sufficiency. *See In re Fidelity Holding Co., Ltd.*, 837 F.2d 696, 698 (5th Cir. 1988) ("If . . . evidence rebutting the claim is brought forth, then the claimant must produce additional evidence to prove the validity of the claim by a preponderance of the evidence.") (internal quotations omitted). Once such an allegation is refuted, the burden reverts to the claimant to prove the validity of its claim by a preponderance of the evidence. *Id.* However, despite this shifting burden during the claim objection process, "the ultimate burden of proof always rests upon the claimant." *Id.*

15. The Debtors deny the allegations in the Statement of Claim attached to the IAG Claim. In many instances, the alleged misrepresentations by the Debtors are facts that were publicly available to IAG. For example, IAG claims that the Debtors failed to disclose that the bank holding the mortgage on the Suburban Project had initiated foreclosure proceedings. Florida

is a judicial foreclosure state. This was not a secret fact held by the Debtors. Just a modicum of diligence performed by IAG would have uncovered this fact. Other allegations are just incorrect or not tied to any specific breach of contract of breach of a representation or warranty. For example, on both the Lee Ho Village project and the Fortune project, IAG alleges that the Debtors failed to filed liens against those properties. This is inaccurate. The Debtors filed a lien against Lee Ho Village. Moreover, prior to the Petition Date, StopLoss Specialists commenced an action to foreclose on the Lee Ho Village lien. *See generally StopLoss Specialists v. Pham Minh Nhat, et al.*, Cause No. 202602635, 55th Judicial District, Harris County, Texas. The Debtors also filed a lien on the Fortune project.

16. IAG does not explain how, even if the allegations in the Statement of Claim were true, any inaction by the Debtors could have been a breach. The Statement of Claim generically asserts a breach of contract but fails to state a claim tying any alleged facts to a breach of a specific clause in the agreement.

17. The IAG Claim should be disallowed because IAG has not and cannot show that the representations and warranties made in the Agreement by the Debtors were untrue at the time of the Agreement. Further, to the extent any of the allegations about withheld information in Counts I – III in the Arbitration were true, such information was publicly available to IAG. IAG cannot make a purchase, complete no due diligence, fail to diligently pursue the purchased receivables, and then disclaim assumption of risk of nonpayment when the purchase did not turn out as IAG hoped.

18. Alternatively, if the Court finds that StopLoss Specialists breached the Agreement's warranties and representations and allows the IAG Claim based on a repurchase obligation, then the subject accounts and invoices would be the property of the Debtors, and IAG

would have no ability to prevent the Debtors from using such proceeds—contrary to the position argued by IAG throughout these Chapter 11 Cases. *See* IAG DIP Objection, ¶ 40 ("Title passed to IAG and IAG II at the time each addendum was executed. These claims are not property of the estate under section 541 of the Bankruptcy Code . . .").

19. In conclusion, the Debtors respectfully request that the Court enter the Proposed Order disallowing the IAG Claim in its entirety.

<u>Reservation of Rights</u>

20. This Objection is limited to the grounds stated herein. Accordingly, it is without prejudice to the rights of the Debtors or any other party-in-interest to object to the IAG Claim on any grounds whatsoever. The Debtors hereby reserve the right to object in the future to the IAG Claim on any ground, and to amend, modify, and/or supplement this Objection.

21. Additionally, the Debtors specifically reserve the right to bring counterclaims relating to the IAG Claim against IAG and any other party, including without limitation under sections 510, 544, 547, and 548 of the Bankruptcy Code, and including for usury violations under federal or state law.

22. Notwithstanding anything contained in this Objection or any attached exhibits, nothing herein shall be construed as a waiver of any rights that the Debtors may have to exercise rights of setoff against the holders of such claims.

<u>Notice</u>

23. The Debtors will provide notice of this Objection to: (a) the U.S. Trustee; and (b) IAG. In light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and proper.

June 10, 2026

Respectfully submitted,

By: */s/ Aaron J. Power*

PORTER HEDGES LLP
Aaron J. Power (TX Bar No. 24058058)
John ("Jack") Eiband (TX Bar No. 24135185)
Grecia V. Sarda (TX Bar No. 24132092)
1000 Main St., 36th Floor
Houston, Texas 77002
Telephone: (713) 226-6000
Facsimile: (713) 226-6248
apower@porterhedges.com
jeiband@porterhedges.com
gsarda@porterhedges.com

Counsel to the Debtors in Possession

Certificate of Service

I certify that on June 10, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas, and directed Kroll Restructuring Administration, as claims and noticing agent in these cases, to serve, as soon as possible, IAG and IAG's counsel as follows:

By e-mail: gina.hartnett@schroders.com

By e-mail: pgarrity@derbeslaw.com

By e-mail: mjb@torricellalaw.com

By US Mail: 7 Bryant Park, New York, NY 10018

/s/ Aaron J. Power
Aaron J. Power

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

	§	
In re:	§	Chapter 11
	§	
TM36, LLC, *et al.*	§	Case No. 26-90386 (ARP)
	§	
Debtors.[1]	§	(Jointly Administered)
	§	
	§	
	§	

ORDER SUSTAINING DEBTORS' OBJECTION TO PROOF OF CLAIM OF INSURED ADVOCACY GROUP, LLC

[Relates to Docket No. ____]

Upon the objection (the "Objection")[2] of above-captioned debtors and debtors-in-possession (collectively, the "Debtors") for entry of an order (this "Order") disallowing Proof of Claim No. 9-1 (the "IAG Claim"), filed by Insured Advocacy Group, LLC ("IAG"); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Objection in this district is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Objection is in the best interests of the Debtors, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Objection and opportunity for a hearing on the Objection were appropriate; and this Court having reviewed the Objection and having heard the statements

[1] The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification number, are TM36, LLC (5051), StopLoss Specialists, LLC (3801), StopLoss, LLC (8840), StopLoss Response Services, LLC (3350), and StopLoss Logistics, LLC (3569). The Debtors' service address is: 716 S. Frio Street, Suite 110, San Antonio, TX 78207.

[2] Capitalized terms used but not otherwise defined herein shall have the same meaning ascribed to them in the Objection.

in support of the relief requested therein at a hearing before this Court, if any; and this Court having determined that the legal and factual bases set forth in support of the Objection establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The IAG Claim is hereby disallowed in its entirety.

2. Kroll Restructuring Administration as claims, noticing and solicitation agent, is authorized and directed to update the claims register maintained in these Chapter 11 Cases to reflect the relief granted in this Order.

3. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Objection or this Order, or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors; (g) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law; (h) a waiver or other adjudication of the Debtors' rights to further object to the claims that are the subject of this Order on any and all grounds, including validity, priority, or amount; or (i) a waiver, adjudication, or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law or to assert any and all rights, claims, and defenses with respect to such claims.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Objection.

5. This Order is immediately effective and enforceable upon its entry.

6. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: ___________, 2026

ALFREDO R. PÉREZ
UNITED STATES BANKRUPTCY JUDGE