

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
(Baltimore Division)**

In re:

Diamond Comic Distributors, Inc., et al.,

Debtors.<sup>1</sup>

Case No. 25-10308 (DER)

Chapter 7

(Jointly Administered)

**EMERGENCY MOTION TO SHORTEN TIME IN WHICH TO RESPOND TO  
TRUSTEE'S EMERGENCY MOTION TO EXTEND DEADLINE TO ASSUME OR  
REJECT EXECUTORY CONTRACTS RELATED TO CONSIGNED GOODS  
AND TO SET EXPEDITED HEARING THEREON**

Morgan W. Fisher, the Chapter 7 Trustee, in the above-captioned cases (the "Trustee"), by and through undersigned counsel, moves that the Court enter an Order shortening the time in which responses may be filed to his contemporaneously filed Emergency Motion to Extend Deadline to Assume or Reject Executory Contracts Related to Consigned Goods (the "365 Deadline Motion"), and setting an expedited hearing thereon. In support thereof, the Trustee states as follows:

**BACKGROUND**

1. On January 14, 2025, Diamond Comic Distributors, Inc., Comic Holdings, Inc., Comic Exporters, Inc., and Diamond Select Toys & Collectables (collectively, the "Debtors") each commenced a case under chapter 11 of the United States Bankruptcy Code. On January 16, 2025, the Court granted the Debtors' Motion for Joint Administration and ordered the Debtors' cases be jointly administered by the Court under *In re: Diamond Comic Distributors, Inc., et al.*, Case No. 25-10308-DER [ECF #41].

---

<sup>1</sup> The Debtors in these chapter 7 cases along with the last four digits of the Debtors' federal tax identification numbers are: Diamond Comic Distributors, Inc. (3450); Comic Holdings, Inc. (7457); Comic Exporters, Inc. (7458); and Diamond Select Toys & Collectibles, LLC (6585).

2. On December 12, 2025, the Debtors filed a *Motion to Convert Cases from Chapter 11 to Chapter 7 of the Bankruptcy Code* [ECF #1070].

3. On December 19, 2025, the Court entered an *Order* [ECF #1089], inter alia, converting these cases from chapter 11 to chapter 7 effective January 1, 2025.

### ***The Consignment Disputes***

4. As more fully set forth in the contemporaneously filed 365 Deadline Motion, the Trustee is party to 32 adversary proceedings seeking to establish various parties' rights in a large quantity of inventory previously held by the Debtor on consignment. See Adv. Pro. Nos. 25-00231 through 25-00262, and 25-00385 (the "Consignment Litigation").

5. Each adversary proceeding identifies a Consignor, a Distribution Agreement by and between the Debtor and the Consignor, and the goods of the Consignor consigned to the Debtor. The Agreement is likely an executory contract subject to the provisions of 11 U.S.C. § 365.

6. The Consignors take the position that, if rejected, the Distribution Agreements should be deemed terminated immediately, and that, pursuant to the Distribution Agreements, the Consignors should be permitted to reclaim the Consigned Goods.

7. Furthermore, the Debtors were, and now the Trustee is, party to and Asset Purchase Agreement and a Transition Services Agreement with Sparkle Pop, LLC (the "APA" and the "TSA").

### **BASIS FOR RELIEF REQUESTED**

8. Section 365(d)(1) of the Bankruptcy Code provides:

In a case under chapter 7 of this title, if the trustee does not assume or reject an executory contract or unexpired lease of

residential real property or of personal property of the debtor within 60 days after the order for relief, or within such additional time as the court, for cause, within such 60-day period, fixes, then such contract or lease is deemed rejected.

11 U.S.C. § 365(d)(1).

9. The 60<sup>th</sup> day after the order for relief in this Chapter 7 case is March 2, 2026.

**NATURE OF THE EMERGENCY AND NEED FOR AN EXTENDED EXTENSION**

10. For the reasons stated in the 365 Extension Motion, the Trustee is not yet able to determine whether to assume or reject the Distribution Agreements or the related APA and TSA, each to the extent executory.

11. 11 U.S.C. § 365(d)(1) allows an extension of time in which the Trustee may assume or assign "within such additional time as the court, for cause, within such 60-day period, fixes, [at the conclusion of which] such contract or lease is deemed rejected."

12. At least one District Court in this District interpreted the same language in then § 365(d)(4)<sup>2</sup> as requiring that the court actually enter the extension order prior to the expiration of the original 60-day period. *Debartolo Prop. Mgmt., Inc. v. Devan*, 194 B.R. 46, 51 (D.Md.1996) (concluding that court no longer had statutory authority over an unexpired lease because the mere filing of a motion for an extension of time within the

---

2

[I]n a case under any chapter of this title, if the trustee does not assume or reject an unexpired lease of nonresidential real property under which the debtor is the lessee within 60 days after the date of the order for relief, or within such additional time as the court, for cause, within such 60-day period, fixes, then such lease is deemed rejected, and the trustee shall immediately surrender such nonresidential real property to the lessor.

11 U.S.C. § 365(d)(4). This language was amended in The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 and again in 2022.

60-day period without obtaining an order thereon, is insufficient for obtaining an extension).<sup>3</sup>

13. Although the Trustee would argue that a timely filed motion to extend the assumption deadline need not be granted within 60 days after the order for relief, entry of such an order within said 60 days avoids an unnecessary issue.

14. Likewise, as previously stated, the Trustee does not agree that a deemed rejection of the Distribution Agreement would allow the Consignors to terminate the Distribution Agreements and divest the estates of their interests in the Consigned Goods. Nevertheless, an extension of the time in which to assume or reject the Distribution Agreements as well as the TSA and APA avoids disputes over this issue.

#### **NOTICE**

15. This Motion has been served on the following:

- i. All Consignors or their counsel,
- ii. Sparkle Pop or its counsel,
- iii. The U.S. Trustee,
- iv. All CM/ECF parties, and
- v. The Court's Manual Notice List in this case or their counsel.

**WHEREFORE**, the Trustee respectfully requests that this Court enter an order:

(i) shortening the time in which a response may be filed to the 365 Extension Motion to February 25, 2026, at 4:00 PM EST; (ii) setting, and if necessary hold, a hearing on the

---

<sup>3</sup> But see *U.S. ex rel. Rahman v. Oncology Associates, P.C.*, 269 B.R. 139, 163 (D.Md., 2001)("In any event, this Court would agree with the Ninth Circuit ... that, if cause for an extension arises within the sixty day period and if a motion for an extension has been made within that period, a Bankruptcy Court may grant the requested extension even after the sixty day period has expired.")

365 Extension Motion before Noon on February 27, 2026, and (iii) granting the Trustee such other and further relief as the Court may deem just and proper.

/s/ Zvi Guttman  
Zvi Guttman (06902)  
The Law Offices of Zvi Guttman, P.A.  
Post Office Box 32308  
Baltimore, Maryland 21282  
Zvi@zviguttman.com  
(410) 580-0500 (Phone)  
(410) 580-0700 (Fax)

**Counsel to the Trustee**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this February 19, 2026, copies of the foregoing Motion were served as follows:

**CM/ECF:**

Sam Alberts sam.alberts@dentons.com, docket.general.lit.wdc@dentons.com

Peter J Artese peter.artese@us.dlapiper.com

Jodie E. Bekman jbekman@gfrlaw.com, dferguson@gfrlaw.com

Jan Berlage JBerlage@GHSLLP.com, tcollins@ghsllp.com

Hugh M. (UST) Bernstein hugh.m.bernstein@usdoj.gov

Daniel Jack Blum jack.blum@polsinelli.com, lsuprum@polsinelli.com,  
delawaredocketing@polsinelli.com

Laura Skowronski Bouyea lsbouyea@venable.com, dmdierdorff@venable.com

Thomas K. Bredar thomas.bredar@wilmerhale.com, andrew.goldman@wilmerhale.com,  
benjamin.loveland@wilmerhale.com, yolande.thompson@wilmerhale.com

Matthew G. Brushwood mbrushwood@barley.com, dkline@barley.com

Darek Bushnaq dsbushnaq@venable.com

Richard L. Costella [rcostella@tydings.com](mailto:rcostella@tydings.com), [myoung@tydings.com](mailto:myoung@tydings.com),  
[pcoolbaugh@tydings.com](mailto:pcoolbaugh@tydings.com)

Katherine Elizabeth Culbertson [katherine.culbertson@troutman.com](mailto:katherine.culbertson@troutman.com)

David W.T. Daniels [ddaniels@perkinscoie.com](mailto:ddaniels@perkinscoie.com), [docketnyc@perkinscoie.com](mailto:docketnyc@perkinscoie.com),  
[nvargas@perkinscoie.com](mailto:nvargas@perkinscoie.com), [KMcClure@perkinscoie.com](mailto:KMcClure@perkinscoie.com), [rleibowitz@perkinscoie.com](mailto:rleibowitz@perkinscoie.com)

G. David Dean [ddean@coleschotz.com](mailto:ddean@coleschotz.com), [PRatkowiak@coleschotz.com](mailto:PRatkowiak@coleschotz.com)

Mark L Desgrosseilliers [desgross@chipmanbrown.com](mailto:desgross@chipmanbrown.com), [fusco@chipmanbrown.com](mailto:fusco@chipmanbrown.com)

Emily Devan [edevan@milesstockbridge.com](mailto:edevan@milesstockbridge.com)

Ellen E. Dew [ellen.dew@us.dlapiper.com](mailto:ellen.dew@us.dlapiper.com)

Turner Falk [turner.falk@saul.com](mailto:turner.falk@saul.com), [tnfalk@recap.email](mailto:tnfalk@recap.email), [Veronica.Marchiondo@saul.com](mailto:Veronica.Marchiondo@saul.com)

Justin Philip Fasano [jfasano@mhlawyers.com](mailto:jfasano@mhlawyers.com), [jfasano@ecf.courtdrive.com](mailto:jfasano@ecf.courtdrive.com),  
[tmackey@mhlawyers.com](mailto:tmackey@mhlawyers.com), [mevans@mhlawyers.com](mailto:mevans@mhlawyers.com), [cmartin@mhlawyers.com](mailto:cmartin@mhlawyers.com),  
[Fasano.JustinR92003@notify.bestcase.com](mailto:Fasano.JustinR92003@notify.bestcase.com)

Ashley N Fellona [ashley.fellona@saul.com](mailto:ashley.fellona@saul.com), [janice.mast@saul.com](mailto:janice.mast@saul.com)

Gianfranco Finizio [gfinizio@lowenstein.com](mailto:gfinizio@lowenstein.com)

Morgan W. Fisher [trustee@morganfisherlaw.com](mailto:trustee@morganfisherlaw.com), [MD65@ecfcbis.com](mailto:MD65@ecfcbis.com),  
[fisher@premierremote.com](mailto:fisher@premierremote.com)

Adam Fletcher [afletcher@bakerlaw.com](mailto:afletcher@bakerlaw.com)

Chelsea R Frankel [cfrankel@lowenstein.com](mailto:cfrankel@lowenstein.com)

Jeremy S. Friedberg [jeremy@friedberg.legal](mailto:jeremy@friedberg.legal), [ecf@friedberg.legal](mailto:ecf@friedberg.legal)

Stephen B. Gerald [sgerald@tydings.com](mailto:sgerald@tydings.com)

Christopher J. Giaimo [christopher.giaimo@squirepb.com](mailto:christopher.giaimo@squirepb.com),  
[christopher.giaimo@squirepb.com](mailto:christopher.giaimo@squirepb.com), [christopher-j-giaimo-6409@ecf.pacerpro.com](mailto:christopher-j-giaimo-6409@ecf.pacerpro.com)

Joshua Glikin [JGlikin@shulmanrogers.com](mailto:JGlikin@shulmanrogers.com), [abogert@shulmanrogers.com](mailto:abogert@shulmanrogers.com),  
[mdicarlo@shulmanrogers.com](mailto:mdicarlo@shulmanrogers.com)

Jonathan A. Grasso [jgrasso@yvslaw.com](mailto:jgrasso@yvslaw.com), [pgomez@yvslaw.com](mailto:pgomez@yvslaw.com),  
[r39990@notify.bestcase.com](mailto:r39990@notify.bestcase.com)

Zvi Guttman [zvi@zviguttman.com](mailto:zvi@zviguttman.com), [zviguttman@gmail.com](mailto:zviguttman@gmail.com), [zviguttman@outlook.com](mailto:zviguttman@outlook.com),  
[MD55@ecfcbis.com](mailto:MD55@ecfcbis.com)

Jeffrey C. Hampton [jeffrey.hampton@saul.com](mailto:jeffrey.hampton@saul.com)

Jason F Hoffman [jhoffman@bakerlaw.com](mailto:jhoffman@bakerlaw.com)

Catherine Keller Hopkin [chopkin@yvslaw.com](mailto:chopkin@yvslaw.com), [pgomez@yvslaw.com](mailto:pgomez@yvslaw.com),  
[kreese@yvslaw.com](mailto:kreese@yvslaw.com), [vmichaelides@yvslaw.com](mailto:vmichaelides@yvslaw.com), [yvslawcmecf@gmail.com](mailto:yvslawcmecf@gmail.com),  
[hopkincr39990@notify.bestcase.com](mailto:hopkincr39990@notify.bestcase.com)

James R. Irving [james.irving@dentons.com](mailto:james.irving@dentons.com)

Adam H Isenberg [adam.isenberg@saul.com](mailto:adam.isenberg@saul.com)

Harry Conrad Jones [HJones@coleschotz.com](mailto:HJones@coleschotz.com), [bankruptcy@coleschotz.com](mailto:bankruptcy@coleschotz.com),  
[pratkowiak@coleschotz.com](mailto:pratkowiak@coleschotz.com)

Lawrence A. Katz [lkatz@hirschlerlaw.com](mailto:lkatz@hirschlerlaw.com), [chall@hirschlerlaw.com](mailto:chall@hirschlerlaw.com),  
[aklena@hirschlerlaw.com](mailto:aklena@hirschlerlaw.com)

Toyja E. Kelley [Toyja.Kelley@troutman.com](mailto:Toyja.Kelley@troutman.com)

C. Kevin Kobbe [kevin.kobbe@us.dlapiper.com](mailto:kevin.kobbe@us.dlapiper.com), [docketing-baltimore-0421@ecf.pacerpro.com](mailto:docketing-baltimore-0421@ecf.pacerpro.com)

Eric George Korphage [korphagee@whiteandwilliams.com](mailto:korphagee@whiteandwilliams.com)

Jung Yong Lee [jlee@milesstockbridge.com](mailto:jlee@milesstockbridge.com), [mhickman@tydings.com](mailto:mhickman@tydings.com)

Gary H. Leibowitz [gleibowitz@coleschotz.com](mailto:gleibowitz@coleschotz.com), [pratkowiak@coleschotz.com](mailto:pratkowiak@coleschotz.com),  
[bankruptcy@coleschotz.com](mailto:bankruptcy@coleschotz.com), [lmorton@coleschotz.com](mailto:lmorton@coleschotz.com)

Thomas J. McKee [mckeet@gtlaw.com](mailto:mckeet@gtlaw.com), [Karrie.Barbaro@gtlaw.com](mailto:Karrie.Barbaro@gtlaw.com), [thomas--mckee-0902@ecf.pacerpro.com](mailto:thomas--mckee-0902@ecf.pacerpro.com)

Mark Minuti [mark.minuti@saul.com](mailto:mark.minuti@saul.com), [robyn.warren@saul.com](mailto:robyn.warren@saul.com)

Randy Moonan [rmoonan@sillscummis.com](mailto:rmoonan@sillscummis.com)

William Fuller Moss [william.moss@friedberg.legal](mailto:william.moss@friedberg.legal)

Bruce S. Nathan [bnathan@lowenstein.com](mailto:bnathan@lowenstein.com)

Janet M. Nesse [jnesse@mhlawyers.com](mailto:jnesse@mhlawyers.com), [jfasano@mhlawyers.com](mailto:jfasano@mhlawyers.com),  
[cpalik@mhlawyers.com](mailto:cpalik@mhlawyers.com), [jnesse@ecf.inforuptcy.com](mailto:jnesse@ecf.inforuptcy.com), [tmackey@mhlawyers.com](mailto:tmackey@mhlawyers.com),  
[cmartin@mhlawyers.com](mailto:cmartin@mhlawyers.com), [kfeig@mhlawyers.com](mailto:kfeig@mhlawyers.com)

Craig Palik [cpalik@mhlawyers.com](mailto:cpalik@mhlawyers.com), [cpalik@ecf.inforuptcy.com](mailto:cpalik@ecf.inforuptcy.com),  
[Palik.CraigR92003@notify.bestcase.com](mailto:Palik.CraigR92003@notify.bestcase.com), [mevans@mhlawyers.com](mailto:mevans@mhlawyers.com),  
[cmartin@mhlawyers.com](mailto:cmartin@mhlawyers.com)

Michael Papandrea [mpapandrea@lowenstein.com](mailto:mpapandrea@lowenstein.com)

Steven Gregory Polard [steven.polard@ropers.com](mailto:steven.polard@ropers.com), [loriann.zullo@ropers.com](mailto:loriann.zullo@ropers.com),  
[calendar-LAO@ropers.com](mailto:calendar-LAO@ropers.com)

Scott Prince [sprince@bakerlaw.com](mailto:sprince@bakerlaw.com)

Jonathan Gary Rose [jonathan.rose@us.dlapiper.com](mailto:jonathan.rose@us.dlapiper.com)

Jordan Rosenfeld [jordan.rosenfeld@saul.com](mailto:jordan.rosenfeld@saul.com)

Nikolaus F. Schandlbauer [nick.schandlbauer@arlaw.com](mailto:nick.schandlbauer@arlaw.com), [lianna.sarasola@arlaw.com](mailto:lianna.sarasola@arlaw.com)

Dennis J. Shaffer [dshaffer@tydings.com](mailto:dshaffer@tydings.com), [scalloway@tydings.com](mailto:scalloway@tydings.com),  
[MYoung@tydings.com](mailto:MYoung@tydings.com)

Indira Kavita Sharma [indira.sharma@troutman.com](mailto:indira.sharma@troutman.com),  
[katherine.culbertson@troutman.com](mailto:katherine.culbertson@troutman.com), [jonathan.young@troutman.com](mailto:jonathan.young@troutman.com),  
[david.ruediger@troutman.com](mailto:david.ruediger@troutman.com), [errol.chapman@troutman.com](mailto:errol.chapman@troutman.com),  
[toyja.kelley@troutman.com](mailto:toyja.kelley@troutman.com)

Nicholas Smargiassi [nicholas.smargiassi@saul.com](mailto:nicholas.smargiassi@saul.com)

David Sommer [dsommer@gallagherllp.com](mailto:dsommer@gallagherllp.com), [ceyler@gejlw.com](mailto:ceyler@gejlw.com), [gomara@gejlw.com](mailto:gomara@gejlw.com),  
[csalce@gejlw.com](mailto:csalce@gejlw.com), [mkobylski@gejlw.com](mailto:mkobylski@gejlw.com)

Brent C. Strickland [bstrickland@whitefordlaw.com](mailto:bstrickland@whitefordlaw.com), [mbaum@whitefordlaw.com](mailto:mbaum@whitefordlaw.com), [brent-strickland-3227@ecf.pacerpro.com](mailto:brent-strickland-3227@ecf.pacerpro.com)

Matthew G. Summers [summersm@ballardspahr.com](mailto:summersm@ballardspahr.com), [branchd@ballardspahr.com](mailto:branchd@ballardspahr.com),  
[heilmanl@ballardspahr.com](mailto:heilmanl@ballardspahr.com), [ambroses@ballardspahr.com](mailto:ambroses@ballardspahr.com),  
[zarnighiann@ballardspahr.com](mailto:zarnighiann@ballardspahr.com), [carolod@ballardspahr.com](mailto:carolod@ballardspahr.com),  
[cromartie@ballardspahr.com](mailto:cromartie@ballardspahr.com), [stammerk@ballardspahr.com](mailto:stammerk@ballardspahr.com),  
[brannickn@ballardspahr.com](mailto:brannickn@ballardspahr.com)

S. Jason Teele [steele@sillscummis.com](mailto:steele@sillscummis.com)

Paige Noelle Topper [paige.topper@saul.com](mailto:paige.topper@saul.com)

US Trustee - Baltimore [USTPRegion04.BA.ECF@USDOJ.GOV](mailto:USTPRegion04.BA.ECF@USDOJ.GOV)

**First class mail, postage prepaid, on:**

DIGITAL MANGA, INC. d/b/a DIGITAL MANGA INC.  
c/o HIKARU SASAHARA  
1447 W 178TH ST, STE 302  
GARDENA, CA 90248

NETCOMICS  
c/o YON H. CHUNG  
362 SIP AVENUE, SUITE 1  
JERSEY CITY, NJ 07306

VALIANT ENTERTAINMENT LLC  
d/b/a VALIANT ENTERTAINMENT, LLC  
c/o PARACORP INCORPORATED  
2140 S Dupont HWY  
Camden, DE 19934

The Court's Manual Notice List in this case (or by CM/ECF on their counsel)

/s/ Zvi Guttman