

# Jenner & Block and Novo Advisors Lead Epic! Creations Trustee to Generate Nearly \$100 Million in Asset Sales and Successful Resolution of Chapter 11 Cases

## News

December 2, 2025

Jenner & Block served as lead counsel to Chapter 11 Trustee, Claudia Z. Springer, Principal of Novo Advisors (Novo), in the bankruptcy cases of Epic! Creations, Inc., Neuron Fuel, Inc., and Tangible Play, Inc. Working closely with Novo as the Trustee's financial advisor, Jenner as main counsel, and a number of other teams, Springer led the Novo team to restore employee confidence, fill gaps in the management team, and ultimately successfully sell the business for more than \$97 million in just over nine months. Following these sales, Springer confirmed a Chapter 11 plan that transfers causes of action to a liquidating trust for the benefit of the Debtors' defrauded lenders.

The three US-based educational technology companies (Epic! Creations, Neuron Fuel, and Tangible Play)—separately acquired by Indian edtech giant Think & Learn Pvt. Ltd. (BYJU's) between 2019 and 2021—were forced into involuntary bankruptcy in June 2024 after BYJU's owners engaged in a scheme to defraud creditors out of hundreds of millions of dollars. The Debtors were guarantors of \$1.2 billion in term loans obtained by the BYJU's US subsidiary from the lender group, agented by GLAS, represented in the bankruptcy case by Kirkland & Ellis and Reed Smith.

When Ms. Springer was appointed Chapter 11 Trustee in September 2024, the three Debtors were in severe financial distress due to continued asset depletion by their ultimate parent entity in India and its owners. The pillaging did not stop until the Trustee—with critical assistance from the Court and her counsel, Jenner & Block—secured emergency relief and threatened legal action against various US banks to halt unauthorized fund transfers from the Debtors' accounts to banks in India. Jenner successfully sought and received multiple restraining orders, injunctions, and emergency stay relief, and conducted an extensive investigation into the massive prepetition fraud, including the wrongdoers' prepetition fraudulent transfer of \$533 million.

With emergency funding secured from the lenders, the Trustee utilized the DIP financing to restore operations at Epic! and prepare the companies for sale. The Trustee's first priority was to secure and restrict access to key technology platforms and assets, which was essential to stop the Indian parent company from diverting cash and controlling the Debtors' technology assets. The Novo

Advisors team, led by Partners Sandeep Gupta and Jacob Grall, was instrumental in achieving these goals.

Novo assumed critical operational leadership roles in the Debtors' business, which lacked management structure. At Epic!, with the help of existing employees, Novo built high-performing teams and implemented operational improvements to eliminate mounting technical and customer service issues. Novo also closed content development gaps by repairing broken relationships with publishers vital in creating original material to sustain the fresh content pipeline critical for customer retention. At Neuron Fuel, following the departure of the original co-founders including the CTO, Novo replaced those employees to maintain seamless operations, swiftly resolved technical issues, and preserved customer confidence during the transition. A positive working environment was cultivated, motivating the team to bridge the gap in technical support left by the departure of the CTO.

With no business records available at Epic!, Novo undertook the arduous task of reconstructing the company's financial history from three years of bank statements to formulate a preliminary cash flow analysis. Novo compiled a list of critical vendors, including personnel in India, who had not been paid for over six months. Publishers and technology providers required immediate attention, as their services were essential for continued business operations. Springer assisted the publishers in forming a unitary group and retaining competent counsel for the purposes of negotiating cure amounts and settling on missed post-petition payments.

Before Springer was appointed, the Debtors' back office in India ceased operations due to employees going unpaid for over four months. Novo identified critical gaps and developed a strategic and cost-effective plan to address operational deficiencies which included rehiring many of those employees that had left as a result of nonpayment by the India parent entity and its owners. With critical hires in place, the team began tackling mounting technical and customer service issues. Technical resources were deployed to repair deficiencies in the platforms, restore critical information necessary for publisher payments, and facilitate the resolution of technical customer concerns. The customer service team reduced the backlog of customer service concerns from 24,000 to less than 50 and response time from 65 days to 0.5 days, resulting in an improvement in customer satisfaction from a low of 46% to a high of 92%.

Novo used the DIP facility as well as cash collateral to invest in company-developed content for Epic! to restart the weekly release of new books, a process which had largely stopped. Novo established the requisite back-office infrastructure for operational independence. This initiative involved implementing financial software solutions to automate the previously manual procedures for invoicing and payment tracking.

While Novo worked tirelessly to stabilize and improve business operations, the Jenner and Pashman Stein Walder Hayden teams successfully fought off multiple attempts by individuals associated with the wrong-doing insiders to gain control of Epic!'s intellectual property and payment

systems. The court entered multiple injunctions to halt this misconduct and ultimately found the individuals responsible in contempt of court, levying a judgment of over \$2 million plus fines totaling \$25,000 per day.

The Jenner and Pashman Stein teams, working with the Trustee, investment bankers Moelis and SC&H, and the lenders' representatives, successfully guided the sale processes. The marketing efforts and operational turnaround resulted in the sale of Epic!'s assets for \$95.1 million after a spirited and well-attended auction, and Neuron Fuel's assets for \$2.15 million in cash plus additional consideration. The sale of Tangible Play's remaining assets is imminent. The Trustee's plan, which received unanimous creditor support, was confirmed by the US Bankruptcy Court for the District of Delaware in October 2025.

Partners Catherine Steege, Melissa Root, and Pete Rosenbaum led the Jenner & Block team. The team also included Partners Anna Meresidis, Shoba Pillay, and Ed Prokop, Special Counsel Jenna Bressel, Sharon Moraes, and Laura Pelanek, and Associates Joshua Davids, BJ Franovic, Rachel Magaziner, Alex Ryshina, and Bill Williams.

Claudia Z. Springer in her role as Chapter 11 Trustee worked alongside Novo Advisors Managing Partner Sandeep Gupta, Partner Jacob Grall, Managing Director Wen Rittsteuer, Senior Consultants Nate VanDeCastele and Matt Mimlitz, and Consultant Erin DeCero.

Partners Joseph C. Barsalona and Henry J. Jaffe led the Pashman Stein Walder Hayden team, which included Alexis R. Gambale, Katherine Beilin, and Leslie Salcedo.

Moelis & Company's team included William Derrough, Cullen Murphy, Mayank Pagaria, Nate Laverriere, Manharan Rao, Siddhant Khemka, Erik Wihlborn, and Claire Zhong; SC&H's team included Michael Gorman and Ken Mann. FTI Consulting's team included Matt Greenblatt and Andrew Hinkelman, and Quinn Emanuel's team included Partner Ben Finestone. The Law Offices of Panag & Babu's team was led by Samudra Sarangi, Sherbir Panag, and Akash Karmakar. GLAS Trust Company served as the agent for lenders represented by Kirkland & Ellis Partners Jordan Elkin, Ravi Shankar and Pat Nash, among others.

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