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Counsel to the Chapter 7 Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	)	Chapter 7
TRICOLOR HOLDINGS, LLC, *et al.*,[1]	)	Case No. 25-33487 (MVL)
Debtors.	)	

CHAPTER 7 TRUSTEE'S EMERGENCY MOTION TO (I) SELL ESTATE ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (II) ESTABLISH SALE PROCEDURES, AND (III) GRANTING RELATED RELIEF

Anne Elizabeth Burns, solely in her capacity as the duly appointed Chapter 7 bankruptcy trustee (the "Trustee") for estates of Tricolor Holdings, LLC and its various debtor affiliates (collectively, the "Debtors"), hereby files this motion (the "Motion") for entry of an order (the "Proposed Order"), granting the relief described below. In further support of the Motion, the Trustee respectfully represents as follows:

[1] The Debtors in these chapter 7 cases are as follows: Tricolor Holdings, LLC, TAG Intermediate Holding Company, LLC, Tricolor Auto Group, LLC, Tricolor Auto Acceptance, LLC, Tricolor Insurance Agency, LLC, Tricolor Home Loans LLC dba Tricolor Mortgage, Tricolor Real Estate Services, LLC, TAG California Holding Company, LLC, Flexi Compras Autos, LLC, TAG California Intermediate Holding Company, LLC, Tricolor California Auto Group, LLC, Tricolor California Auto Acceptance, LLC, Risk Analytics LLC, Tricolor Tax, LLC, Tricolor Financial, LLC, Tricolor Auto Receivables LLC, Tricolor Asset Funding, LLC, and Apoyo Financial, LLC.

PRELIMINARY STATEMENT

1. Upon the appointment as trustee over the Debtors' estates, the Trustee was faced with a dire situation with little to no information regarding the Debtors' finances, operations, or assets, including the location and condition of approximately 10,000 vehicles owned by or that were in the possession of certain Debtors and certain non-debtor affiliates. During the initial stages of these Chapter 7 Cases (as defined below), the Trustee and her advisors focused on gaining a basic understanding of what was left of the Debtors' businesses, including by obtaining access to the various dealership locations and business records.

2. In the early days of these Chapter 7 Cases, the Trustee and her advisors evaluated the possibility of selling vehicles in place packaged with the underlying leasehold interests where such vehicles were located. The Trustee engaged in informal discussions with prospective purchasers and evaluated the alternatives with the help of her advisors before determining that a more traditional auction process would result in a greater value-maximizing realization for the Debtors' estates.

3. More recently, the Trustee, with the assistance of Vervent, Inc. ("Vervent"), has been focused on, among other things, ensuring that the primary assets in the Debtors' estates—the vehicles—are accounted for and otherwise secured. Vervent has been actively working with Automotive Rentals, Inc. T/A Holman ("Holman") to transport the vehicles from the Debtors' various Vehicle locations to be stored at auction house lots pending the sale of such vehicles. Holman, in turn, has coordinated with the various towing services and auction lots in an effort to facilitate prompt sales following court approval. Vervent expects that all or substantially all vehicles will be cleared from the Debtors' locations by the end of November. Accordingly, the

Trustee has reached a point in these Chapter 7 Cases where she is prepared to initiate a value-maximizing auction and sale process for the vehicles as soon as possible.

4. As set forth in more detail below, the Trustee has worked cooperatively with the key stakeholders in these Chapter 7 Cases, and the parties have formulated a largely consensual process to liquidate the vehicles and allocate the gross proceeds thereof (the "Sale Proceeds"). Additionally, over the past several weeks, the Trustee and the key stakeholders received bids from several proposed auctioneers to ensure that the quoted sale structure on a joint bid from Vervent and Holman was competitive in the market. These bids were shared amongst all key stakeholders and resulted in numerous meetings amongst the stakeholders discussing issues related to cost structure and timelines. These discussions and negotiations resulted in the near unanimous support for the decision to structure a sale process through the joint Vervent-Holman bid and indeed materially improved the economics of such deal. It is critical to note that neither Vervent nor Holman are themselves auctioneers; instead, both will coordinate with various auction lots to facilitate the sales of the Vehicles under fee guidelines set forth in greater detail below. Given this proposed sale structure, the Trustee believes that allowance of fees to be paid to Vervent and Holman is appropriate under the circumstances and represents a less burdensome sale structure than separately seeking the employment of numerous auctioneers.

5. In addition, and as set forth in detail below, while the Trustee believes that many of the vehicles are owned by the Debtors' estates (the "Estate Vehicles"), a significant portion of the vehicles may constitute property of non-Debtors (the "Non-Estate Vehicles" and together with the Estate Vehicles, the "Vehicles") and therefore do not constitute property of the Debtors' estates. While the Trustee and the key stakeholders continue to evaluate such possibility, the sale

process procedures set forth herein address the sale and treatment of Vehicles, distinguishing between Estate Vehicles and non-Estate Vehicles where applicable.

6. Given that the Vehicles are depreciating assets that lose value as time passes, and in light of the fact that these Chapter 7 Cases have been pending for more than two months as of the date of this Motion, the Trustee submits that the emergency relief sought herein is necessary to avoid immediate and irreparable harm to the Debtors' estates. Moreover, the Trustee believes that approval of the proposed sale procedures and sale timeline set forth herein is critical to maximize the value for all stakeholders, is in the best interests of the Debtors' estates, and is reasonable under the circumstances of these Chapter 7 Cases. Certain of the Secured Parties notified the Trustee that in the absence of an expedited sales process, they would seek to lift the automatic stay to take possession of Non-Estate Vehicles so as to minimize further depreciation.

RELIEF REQUESTED

7. By this Motion, the Trustee seeks entry of the Proposed Order (a) authorizing the Trustee through Vervent and Holman to conduct an auction in order to sell the Vehicles; (b) approving the proposed sale process procedures set forth herein, including specifically the proposed fees to be paid to Vervent and Holman; (c) approving the sales of the Vehicles free and clear of any liens, claims, interests, and encumbrances, with all valid and properly perfected prepetition liens, claims, interests, and encumbrances attaching to the Sale Proceeds to the same extent, validity, and priority as the liens, claims, interests, and encumbrances that encumbered the Vehicles prior to the Petition Date (as defined below); (d) establishing a bar date by which parties must assert any purported interests in the Sale Proceeds; and (e) granting related relief.

JURISDICTION AND VENUE

8. The Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated

August 3, 1984, entered by the United States District Court for the Northern District of Texas. This matter is a core proceeding under 28 U.S.C. § 157(b). Venue of this case and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

9. The legal predicates for the relief requested herein are sections 105(a), 362, and 363 of title 11 of the United States Code (the "Bankruptcy Code"), rules 2002, 6004, and 6005 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 2002-1 and 9013-1 of the *Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas* (the "Local Rules").

BACKGROUND

I. The Chapter 7 Cases

10. On September 10, 2025 (the "Petition Date"), the Debtors each commenced a case by filing a petition for relief under chapter 7 of the Bankruptcy Code (collectively, the "Chapter 7 Cases"). The Chapter 7 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b), and Local Rule 1015-1.

11. On the Petition Date, the Office of the United States Trustee for Region 6 (the "U.S. Trustee") appointed Anne Elizabeth Burns as the duly qualified Trustee over the Chapter 7 Cases.

12. The Trustee is in possession of the Debtors' estates and is operating the Debtors' businesses on a limited basis pursuant to the terms of the *Order Granting Trustee's Motion for Limited Authorization to Operate the Debtors' Business Pursuant to 11 U.S.C. § 721* [Docket No. 158].

13. On September 19, 2025, the Court entered the *Order Granting Chapter 7 Trustee's Motion for Entry of Order Approving Stipulation Between Trustee and Vervent, Inc.* [Docket No.

53], (the "Vervent Order"),[2] pursuant to which Vervent continued to act as servicer for non-Debtor parties. Thereafter, consistent with its rights and obligations as servicer, and with the consent of certain of the Secured Parties, Vervent has been securing the Vehicle Assets (as defined in the Vervent Order), including through securing and transporting to storage at third party locations all the Vehicles. As noted above, Vervent expects it will have secured and removed all such Vehicles from the Debtors' various leased Vehicle locations and reconditioning facilities by approximately the end of November.

THE PROPOSED SALE PROCESS

I. The Proposed Sale Timeline

14. To ensure that the sale process maximizes the value for the benefit of the Debtors' estates and stakeholders, the Trustee seeks approval of the following proposed schedule:

Date	Event or Deadline
December 3, 2025	The date by which the Court shall have entered an order approving the relief sought in this Motion.
March 31, 2026	The date by which all or substantially all Vehicles sales shall have been completed (the "Vehicle Sales Deadline").
July 31, 2026	The date by which all parties must file a notice asserting any purported ownership interest or security interest in and lien upon the Sale Proceeds (the "Proceeds Bar Date").

II. The Proposed Sale Procedures

15. The procedures set forth below (the "Sale Procedures") are designed to facilitate an orderly liquidation of the Vehicles. If approved, the Sale Procedures will allow the Trustee to

[2] The relief granted under the Vervent Order was extended by consensual orders through and including December 5, 2025. *See* Docket Nos. 196, 287, 435.

expeditiously reduce to money the property of the Debtors' estates, consistent with her fiduciary duties and in the best interests of the parties in interest. Critically, the Sale Procedures set forth a framework to govern the allocation of Sale Proceeds, including the payment or reimbursement (as applicable) of certain fees, costs, and other expenses incurred by Vervent, Holman, the Trustee or any other Asserted Lien or Interest Party (as defined below) in connection with the Vehicles. Moreover, the Sale Procedures are intended to streamline dispute resolution with respect to all or any portion of the Sale Proceeds, including by providing an organized process pursuant to which the Trustee and each of the other Asserted Lien or Interest Parties, as applicable, are encouraged to work cooperatively and in good faith. In addition, the Sale Procedures are designed to keep all parties in interest, including Wilmington Trust, N.A.; the ad hoc group of holders of asset-backed notes issued by certain subsidiaries of Tricolor Holdings, LLC represented by Davis Polk & Wardwell LLP; the ad hoc activist recovery group of holders of asset-backed notes issued by certain subsidiaries of Tricolor Holdings, LLC represented by Quinn Emanuel Urquhart & Sullivan LLP; JPMorgan Chase Bank, N.A.; Fifth Third Bank, N.A.; TBK Bank, SSB; ACV Capital LLC; Cox Automotive, Inc.; and Origin Bank (the "<u>Secured Parties</u>") and/or the Asserted Lien or Interest Parties, fully informed with respect to the advancement of the sale process and the status of Sale Proceeds generated therefrom, and thus respecting the due process and notice requirements of all parties in interest.

16. The key, agreed upon terms of the Sale Procedures are set forth in the chart below.

KEY TERMS OF THE SALE PROCEDURES	
Vehicle Inventory Sales	A. The Trustee will work cooperatively with Vervent and Holman to ensure that the sale of substantially all the Vehicles occurs no later than the Vehicle Sales Deadline. B. Beginning on the first Friday after the sale of any portion of the Vehicles, and continuing every Friday thereafter until all Vehicles have been sold, Vervent, and/or Holman will provide the Trustee and the Secured Parties with a weekly

KEY TERMS OF THE SALE PROCEDURES	
	report (the "Vehicle Sales Report") containing information regarding the Vehicle sales for the prior calendar week. C. The Vehicle Sales Report will include (at a minimum, and in each case to the extent such data is available for the particular Vehicle) the following information for each Vehicle sold in the prior week (as well as any additional information reasonably requested by the Secured Parties related to the Vehicles): 1. Vehicle Identification Number ("VIN"); 2. stock number; 3. vehicle year; 4. vehicle make; 5. vehicle model; 6. vehicle color; 7. purchase price; 8. any fees paid by the buyer; 9. net proceeds; and 10. date sold. D. The Vehicle Sales Report shall also include the aggregate Sale Proceeds received as of the date of such Vehicle Sales Report. The Trustee will file with the Court the final Vehicle Sales Report pursuant to Bankruptcy Rule 6004. E. The Trustee will hold all gross Sale Proceeds in an escrow account pending resolution of any disputes with respect to the distribution thereof, consistent with the terms herein. All liens and interests and [applicable Surcharge Costs] in any sold Vehicle shall attach automatically to the Sale Proceeds from such Vehicle, with the same priority, interest and extent as existed prior to sale of an applicable Vehicle, and no other liens, interests, encumbrances or the like shall attach to such Sale Proceeds. F. Any funds held by the Trustee that are the proceeds of a Vehicle determined by agreement of the Secured Parties or order of the Court (subject to any appeal) not to constitute property of Debtors' estates shall be promptly turned over to Vervent to be held for the benefit of, and distributed to, the Secured Parties in accordance with the procedures contemplated below. G. With the exception of the Trustee's bond payment, the Trustee shall not be entitled or otherwise permitted to use any of the Sale Proceeds held by it for any purpose other than those Sale Proceeds determined, either by agreement of the Secured Parties or order of the Court (subject to any appeal), to be proceeds of Estate Vehicles to which no Secured Parties are otherwise entitled. The Trustee shall not be entitled to any rights of set-off or recoupment with respect to any Sale Proceeds other than as expressly provided by these Sale Procedures.

KEY TERMS OF THE SALE PROCEDURES	
Proceeds Bar Date & Asserted Lien or Interest Notice	A. By no later than the Proceeds Bar Date, or such later date that the Trustee and all Secured Parties agree, all parties, including the Trustee on behalf of the Debtors' estates and the Secured Parties (the "Asserted Lien or Interest Parties"), must assert any purported ownership interest or security interests in and liens upon and [related Surcharge Costs with respect to] the Sale Proceeds. B. Each Asserted Lien or Interest Party must file a notice of its ownership interest or lien (the "Asserted Lien or Interest Notice") with the Court on or before the Proceeds Bar Date. Each Asserted Lien or Interest Notice will: 1. include evidence of the Asserted Lien or Interest Party's asserted ownership interest or lien and the perfection thereof (e.g., loan documents, security agreements, UCC-1 statements, etc.); 2. identify with particularity (e.g., VIN) the portion of the Vehicles for which the Asserted Lien or Interest Party asserts an ownership interest or lien; 3. include any other information that may be necessary to determine the validity and/or priority of the Asserted Lien or Interest Party's asserted ownership interest or lien or to prove that any proceeds therefrom are not property of the Debtors' estates; and 4. to the extent applicable, include a request for reimbursement of Surcharge Costs and evidence thereof (e.g., invoices, receipts, etc.). C. The Trustee (and advisors) and Vervent shall promptly, upon request by the Secured Parties, provide information reasonably requested by any Asserted Lien or Interest Party to assist such party in determining its interest in any Vehicles, and any such information shared by the Trustee or Vervent shall be provided to all Asserted Lien or Interest Parties contemporaneously. The Trustee shall make her advisors and consultants available to the Asserted Lien or Interest Parties at reasonable times and subject to reasonable advance notice to assist such parties in determining their respective interests in the Vehicles. D. The sharing of any confidential information contemplated by the process outlined herein shall be governed by a protective order acceptable to the Trustee and the applicable Secured Parties sharing such information. E. A party's failure to timely file an Asserted Lien or Interest Notice will forever bar such party from receiving any distribution of the Sale Proceeds. F. Each Asserted Lien or Interest Party may object to the Asserted Lien or Interest Notice of any other party, and such objection must include with reasonable particularity the basis for such objection.
Vervent-Holman Costs Per Vehicle	A. In consideration for the services to be rendered by Vervent and Holman, both parties will be entitled to a combined administrative and remarketing fee of $295 in the aggregate amongst the two parties (the "Administrative Fee"). For avoidance of doubt, the Administrative Fee will be shared amongst Vervent and Holman and shall be paid (or otherwise deducted) from the Sale Proceeds and will be allocated on a Vehicle-by-Vehicle basis.. $95 of the Administrative Fee (which is otherwise covered by the servicing agreements

KEY TERMS OF THE SALE PROCEDURES	
	among Vervent and the Secured Parties) shall be rebated to the Secured Parties [from Vervent and/or Holman]. B. For the avoidance of doubt, no security or pass-through costs (except as set forth below) shall be charged by Vervent and/or Holman with respect to Estate Vehicles. [Any security or pass-through costs (including costs of pick-up) paid by the Secured Parties prior to the date of this Motion to Vervent and/or Holman in respect of the Vehicles shall be rebated from Vervent and/or Holman to such Secured Parties.] C. The Administrative Fee is intended to compensate Vervent and Holman for the following services: 1. Administrative Services a. Boarding collateral to Vervent system of record which allows for cash management, tracking at scale through entire transport and sales process b. Automation of sales status reports through Holman integration ensuring every asset is accounted for, reconciled, and available for live reporting as needed c. Basic title processing work (see Title Processing Fee terms below for when additional work is required): i. Staff will work through Dealertrack and Vervent core system to ensure lien records are reconciled; d. Vervent to manage certain auto pre- and post-auction decision processes such as key approvals, minor repair cost approvals (e.g. salvage vs. repair decisions), monitor non-selling units to determine changes in sales strategies (e.g. next steps following failed auction); e. Sale Proceeds reporting and reconciliation of funds received to bank account(s) and core collateral system (this ensures proper payment for all assets). 2. Remarketing Services: a. Ensure consumer repossessions are sold in compliance with applicable regulations b. Manage Vehicle Logistics i. Source carrier and auction capacity; ii. Coordinate with Vervent to align site closures with Vehicle pickups; iii. Coordinate with repossession agents and impound yards on advance charge payouts and release documentation. c. Title Administration i. Audit for marketability;

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<tr><th colspan="2">KEY TERMS OF THE SALE PROCEDURES</th></tr>
<tr><td></td><td>ii. Acquire duplicate titles if necessary;
iii. Store in a secure location;
iv. Execute titles.
d. Vehicle Level Sale Preparation and Representation
i. Manage auction process across all 35+ auctions;
ii. Repair and reconditioning approval;
iii. Pricing strategy (floor, high bid approval, etc.).
e. Audit expenses and Sale Proceeds
f. Integration & Collaboration with Vervent
i. Seamless remittance of Sale Proceeds;
ii. Integrated reporting.</td></tr>
<tr><td>Title Processing Fees</td><td>A. Vervent shall be entitled to certain title processing fees (the “Title Processing Fees”) as follows, which shall be paid (or otherwise deducted) from the Sale Proceeds and will be allocated on a Vehicle-by-Vehicle basis:
1. <u>Tier I</u>: No charge/minimal work as title is clean
2. <u>Tier II</u>: $40 – Convert title into selling party name
i. Applies on a per occurrence basis when Holman is asked to manage the title conversion process (from consumer’s name to TAA, solely in its capacity as a liquidation agent under this agreement for the benefit of the Asserted lien or Interest Parties; provided that such titling in the name of TAA with respect to the Non-Estate Vehicles shall be for administrative purposes only and solely in TAA’s capacity as agent for the Secured Parties)
3. <u>Tier III</u>: $125 – Significant and complicated title issues resulting in Vervent performing certain remediation services, including, but not limited to:
i. Working with DMV to track down latest title;
ii. Working with DMV to ensure verified titles are matching their lienholder records prior to sale;
iii. Outbound calls and troubleshooting any VIN discrepancies with DMVs;
iv. Note: This pricing includes local DMV charges and completing applicable state required forms.</td></tr>
<tr><td>Estimated Auction Fees</td><td>A. In addition to the Administrative Fees and Title Processing Fees paid under the Vervent-Holman bid, the Trustee and Secured Parties acknowledge that certain pass-through costs from independent, non-affiliated third parties will be incurred through the sale process (the “<u>Auction Fees</u>”), and which shall be paid (or otherwise deducted) by the auction house from the Sale Proceeds and</td></tr>
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<tr><th colspan="2">KEY TERMS OF THE SALE PROCEDURES</th></tr>
<tr><td></td><td>will be allocated on a Vehicle-by-Vehicle basis with respect to Vehicles sold by such applicable third parties.

B. For the avoidance of doubt, there will be no markups or rebates associated with any Auction Fees, including costs associated with transportation, reconditioning, PII, technology fees, or auction sale fees.

C. In no event shall the aggregate total of the Administrative Fee, Title Processing Fees, and Auction Fees as to a particular Vehicle exceed the Sale Proceeds obtained from the sale of such Vehicle.

D. These Auction Fees will be tracked on a VIN-by-VIN basis and apply as follows:

1. Standard Fees (applies to all Vehicles sold)

a. Auction Sale Fee ($150) – Flat rate fee for general auction services

b. Cleaning ($35) or Detail ($90) – Flat rate fee, one of these two fees will apply to each Vehicle, based on the condition of such Vehicle;

c. PII Removal ($30) – Flat rate fee to ensure appropriate removal of all digital and physical personally identifiable information from Vehicles;

d. Technology Fee ($50) – Flat rate fee, auction integration into various technology (AutoIMS, Condition Reporting, Virtual Markets, and Simulcast platforms);

e. Transportation Fee (estimated average of $125 - $200) – Actual, reasonable, and customary variable cost for transportation from retail/recondition facility to auction house; variable based on asset, condition, and distance of relocation.

i. Note: Transportation Fees include dollars associated with impounds and repossession releases (i.e. storage costs or repair work paid for to obtain possession of the Vehicle).

2. Per Occurrence (as needed for each Vehicle)

a. Key Replacement ($225 average) – Variable cost for a replacement key, only approved on an as-needed basis;

b. Miscellaneous Reconditioning – Variable cost for minor repair/reconditioning (battery replacement, tire replacement, windshield replacement, etc.);

c. Storage ($15/day) – flat rate per day, only applies to Vehicles that are secured at an auction house and removed prior to a sale by Holman.

E. Notwithstanding anything to the contrary herein, any auctioneer shall remit gross proceeds of the Vehicle Sales, without any set-off,</td></tr>
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KEY TERMS OF THE SALE PROCEDURES	
	recoupment, or other reduction for any pre-petition amounts owing from the Debtors to the auctioneers or their affiliates.
Trustee Costs	A. The Trustee is entitled to seek her statutory commission set forth under section 326(a) of the Bankruptcy Code (the "Trustee Costs"), and any such Trustee Costs will be allocated on a vehicle-by-vehicle basis for the applicable Vehicle. For avoidance of doubt, all parties reserve the right to challenge the Trustee's assertion of entitlement to statutory fees under 326(a) on behalf of the sale of Vehicles that are later determined to be Non-Estate Vehicles. For avoidance of doubt, the Secured Parties' consent to the Trustee's participation and oversight of the sale process, including the fact that proceeds flow through the Trustee's accounts, shall not be deemed a waiver as to [or otherwise prejudice] the Secured Parties' rights or arguments with respect to whether the Trustee has earned her statutory commission under section 326(a) of the Bankruptcy Code with respect to Non-Estate Vehicles. B. The Trustee will provide the Secured Parties with written evidence (e.g., invoices) of the Trustee Costs and an opportunity to object to same before any portion of the Trustee Costs are paid from the Sale Proceeds of Vehicles. Any disputes regarding the Trustee Costs shall be determined by the Bankruptcy Court.
Surcharge Costs	A. Any out-of-pocket costs, fees, and expenses (including the Trustee's bond and excluding professional fees) reasonably incurred by (i) the Asserted Lien or Interest Parties [(except for costs incurred by or on behalf of Vervent or Holman that are covered under the fee structure referenced above)] that benefitted all or portions of the Estate Vehicles or (ii) any Asserted Lien or Interest Parties that benefitted all or portions of the Non-Estate Vehicles, including, in each case, costs, fees and expenses reasonably incurred by any Asserted Lien or Interest Parties (except for costs incurred by or on behalf of Vervent or Holman that are covered under the fee structure referenced above), or the Trustee, as applicable, in connection with the [storage, security, transportation, and] liquidation of the Vehicles (collectively, the "Surcharge Costs"), will be allocated on a Vehicle-by-Vehicle basis pro rata to such benefited Vehicles and paid from the Sale Proceeds of such Vehicles. B. The Trustee, Vervent and the Asserted Lien or Interest Parties shall work in good faith to determine an equitable allocation of such Surcharge Costs among the Vehicles. To the extent not agreed by such parties, any Asserted Lien or Interest Party requesting reimbursement of Surcharge Costs must include such request in its Asserted Lien or Interest Notice. C. To the extent the Trustee and/or the other Asserted Lien or Interest Parties disagree with the requested Surcharge Costs, including without limitation the basis and/or amount thereof, and are unable to resolve such disagreement within 15 calendar days after the Proceeds Bar Date, such Surcharge Costs dispute will be submitted to the Court for adjudication; provided, however, that the Trustee and/or any other Asserted Lien or Interest Party may submit such dispute to the Court for adjudication at an earlier date.

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<tr><th colspan="2">KEY TERMS OF THE SALE PROCEDURES</th></tr>
<tr><td></td><td>D. For the avoidance of doubt, other than with respect to the Auction Costs and Trustee Costs from proceeds of Estate Vehicles, no Sale Proceeds for a particular Vehicle shall be distributed prior to the agreement and resolution of all Surcharge Costs applicable to such Vehicle. Promptly following the Trustee's and the other Asserted Lien or Interest Parties' written agreement and resolution of all Surcharge Costs, the Trustee will distribute the applicable Sale Proceeds accordingly.</td></tr>
<tr><td>Allocation of Sale Proceeds</td><td>A. The Trustee and each of the other Asserted Lien or Interest Parties, as applicable, will work cooperatively and in good faith to:
1. determine whether and which Sale Proceeds are subject to ownership, lien and/or priority disputes
2. identify the quantum of such disputes
3. identify the Asserted Lien or Interest Parties involved in such disputes
4. resolve or otherwise reach agreement with respect to such disputes
B. To the extent (1) the Trustee and all other Asserted Lien or Interest Parties agree in writing that there is no lien, ownership, and/or priority dispute with respect to a portion of the Sale Proceeds, or (2) the Asserted Lien or Interest Parties asserting an interest in the same portion of the Sale Proceeds and any party objecting to any such Asserted Lien or Interest with respect to such property resolve any lien, ownership, and/or priority dispute as between themselves (which resolution shall be memorialized in writing), in each case the Trustee will promptly, but in no event later than 7 business days after the date of such agreement or resolutions, distribute the applicable undisputed Sale Proceeds, after deduction of the applicable Auction Costs, Trustee Costs and Surcharge Costs allocated to the applicable Vehicles, to the Asserted Lien or Interest Party with the undisputed interest in such allocable Sale Proceeds.
C. If any Asserted Lien or Interest Parties asserting an interest in the same portion of the Sale Proceeds are unable to resolve any lien, ownership, and/or priority disputes as between themselves, such Parties will submit the dispute to the Court for adjudication; provided, however, that such Parties may submit such dispute to the Court for adjudication at an earlier date.
D. After a dispute is resolved by the Court, the Sale Proceeds subject of such dispute shall be distributed in accordance with the terms of the Court's order no later than 3 calendar days after such order of the Court becomes final and non-appealable with respect to such dispute.
E. The Trustee and the other Asserted Lien and Interest Parties agree:
1. that any lien, ownership, and/or priority disputes relating to the Vehicles or Sale Proceeds, or any other disputes in connection with the allocation of the Sale Proceeds, will be subject to and governed by motion practice in accordance with Bankruptcy Rule 9014 and related procedures, and
2. to submit to the jurisdiction of the Court and consent to the entry of a final order by the Court in connection with the sale process.</td></tr>
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BASIS FOR RELIEF

I. The Sale Procedures Reflect a Reasonable Exercise of the Sound Business Judgment and Are in the Best Interests of the Debtors' Estates.

14. Bankruptcy Code section 363 and Bankruptcy Rule 6004(f)(1) authorize a trustee to sell property outside the ordinary course of business by private sale or by auction. Bankruptcy Code section 363(b) provides that "[t]he trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate . . . ." 11 U.S.C. § 363(b)(1). Bankruptcy Code section 105(a) empowers bankruptcy courts to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

15. Although Bankruptcy Code section 363(b) does not specify a standard for determining when it is appropriate for a court to authorize the use, sale or lease of property of the estate, courts have required that such use, sale or lease be based upon the sound business judgment. Courts have made clear that a trustee's business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate's assets. *See, e.g.*, *In re Continental Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside of the ordinary course of business."); *In re Culp*, 550 B.R. 683, 697 (D. Del. 2015) ("In determining whether to authorize the use, sale or lease of property of the estate under [Section 363], courts require the [Trustee] to show that a sound business purpose justifies such actions. If the bankruptcy trustee's decision evidences a sound business purpose, then the Bankruptcy Court should approve the sale.") (quoting *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999)); *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (applying business judgment rule to bidding procedures

and incentives and noting that "[c]ourts are loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence"). Indeed, courts have made clear that the business judgment rule extends to the Trustee. *In re Johns*, 667 B.R. 322, 323 (Bankr. N.D. Tex. 2025) ("Upon appointment, the trustee steps into the shoes of the debtor—thus, the question is whether the trustee exercised sound business judgment by entering the [sale] agreement.").

16. The Trustee submits that selling the Vehicles pursuant to the proposed Sale Procedures represents a sound exercise of the Trustee's business judgement and is in the best interests of the Debtors' estates. Utilizing Vervent and Holman as the liquidation agent and remarketer, respectively, will allow for a timely sale process of the Vehicles without adding additional costs. As described above, a majority of the Vehicles are located or will soon be located at auction lots where they will be ready to be sold. Because the value of the Vehicles depreciates with time, an immediate sale will maximize the value received and eliminate added costs to the benefit of the Debtors' estates. The costs associated with relocating the Vehicles or continuing to solicit purchasers far outweighs any benefit that may be received by pursuing any other sale process. Every passing day results in depreciation of the value of the Vehicles and an increase in administrative costs. The efficient sale process contemplated under the Sale Procedures, will maximize the value received for the Vehicles and bring the administrative burn to a halt.

17. The Sale Procedures will also allow the Trustee to progress her sale process of the Vehicles to an orderly, efficient, and value maximizing conclusion while still maintaining the flexibility to address any concerns that arise. Thereby minimizing the potential decrease in value received for the Vehicles. In light of the massive quantity of Vehicles that need to be prepared for sale and timely sold, the Trustee believes the Sale Procedures are reasonable.

II. Approval of the Sale Timeline and Sale Procedures on Shortened and Limited Notice is Appropriate.

18. The notice and hearing requirements contained in Bankruptcy Code section 363(b)(1) are satisfied if appropriate notice and an opportunity for a hearing are given in light of the particular circumstances of a proposed transaction. *See* 11 U.S.C. § 102(1)(A) (defining "after notice and a hearing" to mean such notice and opportunity for a hearing "as [are] appropriate in the particular circumstances"). Courts have noted that "[t]he notice requirements of bankruptcy law are 'founded in fundamental notions of procedural due process.'" *Morgan Olson L.L.C. v. Frederico (In re Grumman Olson Indus., Inc.)*, 467 B.R. 694, 706 (S.D.N.Y. 2012) (citations omitted). Due process requires "notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." *Id*. (internal quotation marks and citations omitted).

19. Bankruptcy Rule 2002(a)(2) requires that a minimum of twenty-one (21) days' notice of the proposed sale of property outside the ordinary course of business be provided, unless a trustee shows "cause." *See* Fed. R. Bankr. P. 2002(a)(2). Once the Trustee shows "cause," however, Bankruptcy Rule 2002(a)(2) authorizes this Court to shorten the generally applicable 21-day notice period and direct a method of giving notice other than by mail. *See* Fed. R. Bankr. P. 2002(a)(2).

20. In addition, the sale or transfer of property outside the ordinary course of business may be authorized without an actual hearing, if no party in interest timely requests such a hearing. *See* 11 U.S.C. § 102(1)(B)(i) (notwithstanding the statutory requirement for "notice and a hearing," the Bankruptcy Code "authorizes an act without an actual hearing if such notice is given properly and if such a hearing is not requested timely by a party in interest").

21. The Sale Procedures were drafted to ensure that appropriate parties received adequate notice of the proposed sales of the Vehicles. The Sale Procedures provide that Vervent and Holman will provide the Secured Parties with a weekly Vehicle Sales Report. This report will provide the Secured Parties with vital information regarding the vehicles being sold, the sale price, and the costs retained by the Holman, Vervent, and any auctioneer. The Sale Procedures also grant the Secured Parties, and anyone else claiming an interest in the Sale Proceeds, until the Sale Proceeds Bar Date to assert their interest in the Sales Proceeds. This grants any potential Asserted Lien or Interest Parties likely more than four (4) months to assert their interests in the Sales Proceeds.

22. Because the Sale Procedures provide parties in interest notice, the ability to assert their interest in the Sales Proceeds, the ability to object to the allocation of the Sale Proceeds, and an opportunity for a hearing, should the circumstances so require, the Sale Procedures comply with the notice requirements of the Bankruptcy Code, as well as due process. In addition, an accelerated sale process prevents further depreciation of the value of the Vehicles and the potential accrual of ad valorem taxes. Based on the foregoing, approval of the Sale Procedures on shortened and limited notice are appropriate under the facts and circumstances of these Chapter 7 Cases.

III. The Proposed Sale Procedures Satisfy the Requirements of Bankruptcy Code Section 363(f) and Allow the Trustee to Sell the Vehicles Free and Clear.

23. Pursuant to Bankruptcy Code section 363(f), a trustee may sell property under section 363(b) free and clear of any liens, claims, encumbrances, and other interests of an entity other than the estate if one of the following conditions is satisfied: (i) applicable nonbankruptcy law permits the sale of such property free and clear of such interest; (ii) such entity consents; (iii) the interest is a lien and the sales price of the property exceeds the value of all liens on the property; (iv) the interest is in bona fide dispute; or (v) the holder of the interest could be compelled in a

legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f)(1)–(5). Bankruptcy Code Section 363(f) is stated in the disjunctive; therefore, it is only necessary to meet one of the five conditions listed in that section when selling property of the estate. *See In re Borders Grp., Inc.*, 453 B.R. 477, 483–84 (Bankr. S.D.N.Y. 2011) (noting that the debtor can sell its property "free and clear of any interest" if "at least one" of the five conditions under section 363(f) is met); *see also In re MF Glob. Inc.*, 467 B.R. 726, 730 (Bankr. S.D.N.Y. 2012) ("Satisfaction of any of those requirements [of section 363(f)(1)–(5)] suffices to permit the sale of the property free and clear of liens and interests."); *In re Nature Leisure Times, LLC*, No. 06-41357, 2007 WL 4554276, at *3 (Bankr. E.D. Tex. Dec. 19, 2007).

24. Pursuant to section 363(f)(2), absent any objection to the sale of the Vehicles, a holder of a lien shall be deemed to consent to the sale and such assets may be sold free and clear of such lien. *See In re Borders Grp., Inc.*, 453 B.R. at 484 ("Under section 363(f)(2), a lienholder who receives notice of a sale but does not object within the prescribed time period is deemed to consent to the proposed sale, and assets thereafter may be sold free and clear of liens."); *see also In re Enron Corp.*, No. 01-16034 (AJG), 2003 WL 21755006, at *2 (Bankr. S.D.N.Y. July 28, 2003) (order deeming all parties who did not object to proposed sale to have consented under section 363(f)(2)). Additionally, pursuant to section 363(f)(4), the interests in the Vehicles are unquestionably subject to bonafide dispute between nearly every lender involved in this case. Specifically, certain Secured Parties dispute whether such Vehicles are even property of the estate. The Trustee submits that this prong is easily satisfied given the facts and circumstances of this case.

25. The requirements of Bankruptcy Code section 363(f) are met under two additional prongs: (1) the holder of a lien on the Vehicles, absent objection, would be deemed to consent to

the sale; or (2) if the holder is not deemed to consent, such holder could be compelled in a legal or equitable proceeding to accept monetary satisfaction of its interest. As noted above, the interests of a holder of a lien will attach to the Sale Proceeds of the Vehicles. Pursuant to the Sale Procedures, Secured Parties (and any other party) will have the opportunity to assert their interest in the Sale Proceeds and object to the allocation of the Sale Proceeds. To the extent consent of a lienholder is not obtained or deemed to have been obtained, the Trustee believes the that such holder of any lien could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. Therefore the Sale Procedures satisfy the requirements of Bankruptcy Code Section 363(f), and the Trustee should be allowed to sell the Vehicles free and clear of any liens, claims, encumbrances, and other interests.

NOTICE

26. Notice of this Motion has been provided to: (a) the U.S. Trustee, (b) the Secured Parties, and (c) those parties who have requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, no other or further notice need be given.

WAIVER OF ANY APPLICABLE STAY

27. The Trustee seeks a waiver of any stay of the effectiveness of the order granting this Motion. Pursuant to Bankruptcy Rule 6004(h), any "order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." The Trustee submits that the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Trustee for the reasons set forth herein. Accordingly, the Trustee submits that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable.

RESERVATION OF RIGHTS

28. Nothing in the Motion should be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Trustee's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise or requirement to pay any claim or other obligation; or (d) granting third-party-beneficiary status, bestowing any additional rights on any third party, or being otherwise enforceable by any third party.

NO PRIOR REQUEST

29. No previous request for the relief sought herein has been made to this or any other court.

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WHEREFORE, the Trustee respectfully requests entry of the Proposed Order, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: Dallas, Texas
November 21, 2025

MCDERMOTT WILL & SCHULTE LLP

/s/ Charles R. Gibbs
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Counsel to the Chapter 7 Trustee

CERTIFICATE OF SERVICE

I do hereby certify that on November 21, 2025, a true and correct copy of the foregoing Motion was served via CM/ECF for the United States Bankruptcy Court for the Northern District of Texas on all parties authorized to receive electronic notice in this case. The Trustee's claims and noticing agent will be filing a supplemental certificate of service on the docket to reflect any additional service of the foregoing Motion.

/s/ Charles R. Gibbs
Charles R. Gibbs

LOCAL RULE 9013-1(a) CERTIFICATION

Given the number of parties in interest in the Chapter 7 Cases, the Trustee believes that conferring with the attorneys for affected parties is neither possible nor practicable.

/s/ Charles R. Gibbs
Charles R. Gibbs

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	)	Chapter 7
TRICOLOR HOLDINGS, LLC, *et al.*[1]	)	Case No. 25-25-33487 (MVL)
Debtors.	)	

ORDER GRANTING CHAPTER 7 TRUSTEE'S EMERGENCY MOTION TO (I) SELL ESTATE ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (II) ESTABLISH SALE PROCEDURES, AND (III) GRANTING RELATED RELIEF

Upon the *Chapter 7 Trustee's Emergency Motion to (I) Sell Estate Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Establish Sale Procedures, and (III) Granting Related Relief* (the "Motion")[2] filed by the Trustee seeking entry of an order (this

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[1] The Debtors in these chapter 7 cases are as follows: Tricolor Holdings, LLC, TAG Intermediate Holding Company, LLC, Tricolor Auto Group, LLC, Tricolor Auto Acceptance, LLC, Tricolor Insurance Agency, LLC, Tricolor Home Loans LLC dba Tricolor Mortgage, Tricolor Real Estate Services, LLC, TAG California Holding Company, LLC, Flexi Compras Autos, LLC, TAG California Intermediate Holding Company, LLC, Tricolor California Auto Group, LLC, Tricolor California Auto Acceptance, LLC, Risk Analytics LLC, Tricolor Tax, LLC, Tricolor Financial, LLC, Tricolor Auto Receivables LLC, Tricolor Asset Funding, LLC, and Apoyo Financial, LLC.

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

"Order") (a) authorizing the Trustee to conduct an auction in order to sell the Vehicles, (b) approving the proposed sale procedures set forth in the Motion, (c) approving the sales of the Vehicles free and clear of any liens, claims, interests, and encumbrances, with all valid and properly perfected prepetition liens attaching to the Sale Proceeds to the same extent, validity, and priority as the liens that encumbered the Vehicles prior to the Petition Date, (d) establishing a bar date by which parties must assert any purported interests in the Sale Proceeds, and (e) granting related relief, all as more fully set forth in the Motion; the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being able to issue a final order consistent with Article III of the United States Constitution; and due and sufficient notice of the Motion having been given under the particular circumstances; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is GRANTED as set forth herein.

2. The Sale Procedures are approved. The Trustee, Holman, and Vervent are each authorized to implement, and take all actions to carry out, the following Sale Procedures:

<table>
<tr><th colspan="2">KEY TERMS OF THE SALE PROCEDURES</th></tr>
<tr><td>Vehicle Inventory Sales</td><td>
A. The Trustee will work cooperatively with Vervent and Holman to ensure that the sale of substantially all the Vehicles occurs no later than the Vehicle Sales Deadline.

B. Beginning on the first Friday after the sale of any portion of the Vehicles, and continuing every Friday thereafter until all Vehicles have been sold, Vervent, and/or Holman will provide the Trustee and the Secured Parties with a weekly report (the "Vehicle Sales Report") containing information regarding the Vehicle sales for the prior calendar week.

C. The Vehicle Sales Report will include (at a minimum, and in each case to the extent such data is available for the particular Vehicle) the following information for each Vehicle sold in the prior week (as well as any additional information reasonably requested by the Secured Parties related to the Vehicles):

1. Vehicle Identification Number ("VIN");
2. stock number;
3. vehicle year;
4. vehicle make;
5. vehicle model;
6. vehicle color;
7. purchase price;
8. any fees paid by the buyer;
9. net proceeds; and
10. date sold.

D. The Vehicle Sales Report shall also include the aggregate Sale Proceeds received as of the date of such Vehicle Sales Report. The Trustee will file with the Court the final Vehicle Sales Report pursuant to Bankruptcy Rule 6004.

E. The Trustee will hold all gross Sale Proceeds in an escrow account pending resolution of any disputes with respect to the distribution thereof, consistent with the terms herein. All liens and interests and [applicable Surcharge Costs] in any sold Vehicle shall attach automatically to the Sale Proceeds from such Vehicle, with the same priority, interest and extent as existed prior to sale of an applicable Vehicle, and no other liens, interests, encumbrances or the like shall attach to such Sale Proceeds.

F. Any funds held by the Trustee that are the proceeds of a Vehicle determined by agreement of the Secured Parties or order of the Court (subject to any appeal) not to constitute property of Debtors' estates shall be promptly turned over to Vervent to be held for the benefit of, and distributed to, the Secured Parties in accordance with the procedures contemplated below.
</td></tr>
</table>

<table>
<tr><th colspan="2">KEY TERMS OF THE SALE PROCEDURES</th></tr>
<tr><td></td><td>G. With the exception of the Trustee’s bond payment, the Trustee shall not be entitled or otherwise permitted to use any of the Sale Proceeds held by it for any purpose other than those Sale Proceeds determined, either by agreement of the Secured Parties or order of the Court (subject to any appeal), to be proceeds of Estate Vehicles to which no Secured Parties are otherwise entitled. The Trustee shall not be entitled to any rights of set-off or recoupment with respect to any Sale Proceeds other than as expressly provided by these Sale Procedures.</td></tr>
<tr><td>Proceeds Bar Date & Asserted Lien or Interest Notice</td><td>A. By no later than the Proceeds Bar Date, or such later date that the Trustee and all Secured Parties agree, all parties, including the Trustee on behalf of the Debtors’ estates and the Secured Parties (the “<u>Asserted Lien or Interest Parties</u>”), must assert any purported ownership interest or security interests in and liens upon and [related Surcharge Costs with respect to] the Sale Proceeds.

B. Each Asserted Lien or Interest Party must file a notice of its ownership interest or lien (the “<u>Asserted Lien or Interest Notice</u>”) with the Court on or before the Proceeds Bar Date. Each Asserted Lien or Interest Notice will:

1. include evidence of the Asserted Lien or Interest Party’s asserted ownership interest or lien and the perfection thereof (e.g., loan documents, security agreements, UCC-1 statements, etc.);

2. identify with particularity (e.g., VIN) the portion of the Vehicles for which the Asserted Lien or Interest Party asserts an ownership interest or lien;

3. include any other information that may be necessary to determine the validity and/or priority of the Asserted Lien or Interest Party’s asserted ownership interest or lien or to prove that any proceeds therefrom are not property of the Debtors’ estates; and

4. to the extent applicable, include a request for reimbursement of Surcharge Costs and evidence thereof (e.g., invoices, receipts, etc.).

C. The Trustee (and advisors) and Vervent shall promptly, upon request by the Secured Parties, provide information reasonably requested by any Asserted Lien or Interest Party to assist such party in determining its interest in any Vehicles, and any such information shared by the Trustee or Vervent shall be provided to all Asserted Lien or Interest Parties contemporaneously. The Trustee shall make her advisors and consultants available to the Asserted Lien or Interest Parties at reasonable times and subject to reasonable advance notice to assist such parties in determining their respective interests in the Vehicles.

D. The sharing of any confidential information contemplated by the process outlined herein shall be governed by a protective order acceptable to the Trustee and the applicable Secured Parties sharing such information.

E. A party’s failure to timely file an Asserted Lien or Interest Notice will forever bar such party from receiving any distribution of the Sale Proceeds.</td></tr>
</table>

<table>
<tr><th colspan="2">KEY TERMS OF THE SALE PROCEDURES</th></tr>
<tr><td></td><td>F. Each Asserted Lien or Interest Party may object to the Asserted Lien or Interest Notice of any other party, and such objection must include with reasonable particularity the basis for such objection.</td></tr>
<tr><td>Vervent-Holman Costs Per Vehicle</td><td>A. In consideration for the services to be rendered by Vervent and Holman, both parties will be entitled to a combined administrative and remarketing fee of $295 in the aggregate amongst the two parties (the “<u>Administrative Fee</u>”). For avoidance of doubt, the Administrative Fee will be shared amongst Vervent and Holman and shall be paid (or otherwise deducted) from the Sale Proceeds and will be allocated on a Vehicle-by-Vehicle basis. $95 of the Administrative Fee (which is otherwise covered by the servicing agreements among Vervent and the Secured Parties) shall be rebated to the Secured Parties [from Vervent and/or Holman].

B. For the avoidance of doubt, no security or pass-through costs (except as set forth below) shall be charged by Vervent and/or Holman with respect to Estate Vehicles. [Any security or pass-through costs (including costs of pick-up) paid by the Secured Parties prior to the date of this Motion to Vervent and/or Holman in respect of the vehicles shall be rebated from Vervent and/or Holman to such Secured Parties].

C. The Administrative Fee is intended to compensate Vervent and Holman for the following services:

1. Administrative Services

a. Boarding collateral to Vervent system of record which allows for cash management, tracking at scale through entire transport and sales process

b. Automation of sales status reports through Holman integration ensuring every asset is accounted for, reconciled, and available for live reporting as needed

c. Basic title processing work (see Title Processing Fee terms below for when additional work is required):

i. Staff will work through Dealertrack and Vervent core system to ensure lien records are reconciled;

d. Vervent to manage certain auto pre- and post-auction decision processes such as key approvals, minor repair cost approvals (e.g. salvage vs. repair decisions), monitor non-selling units to determine changes in sales strategies (e.g. next steps following failed auction);

e. Sale Proceeds reporting and reconciliation of funds received to bank account(s) and core collateral system (this ensures proper payment for all assets).

2. Remarketing Services:</td></tr>
</table>

KEY TERMS OF THE SALE PROCEDURES	
	a. Ensure consumer repossessions are sold in compliance with applicable regulations b. Manage Vehicle Logistics i. Source carrier and auction capacity; ii. Coordinate with Vervent to align site closures with Vehicle pickups; iii. Coordinate with repossession agents and impound yards on advance charge payouts and release documentation. c. Title Administration i. Audit for marketability; ii. Acquire duplicate titles if necessary; iii. Store in a secure location; iv. Execute titles. d. Vehicle Level Sale Preparation and Representation i. Manage auction process across all 35+ auctions; ii. Repair and reconditioning approval; iii. Pricing strategy (floor, high bid approval, etc.). e. Audit expenses and Sale Proceeds f. Integration & Collaboration with Vervent i. Seamless remittance of Sale Proceeds; ii. Integrated reporting.
Title Processing Fees	A. Vervent shall be entitled to certain title processing fees (the "Title Processing Fees") as follows, which shall be paid (or otherwise deducted) from the Sale Proceeds and will be allocated on a Vehicle-by-Vehicle basis: 1. <u>Tier I</u>: No charge/minimal work as title is clean 2. <u>Tier II</u>: $40 – Convert title into selling party name i. Applies on a per occurrence basis when Holman is asked to manage the title conversion process (from consumer's name to TAA, solely in its capacity as a liquidation agent under this agreement for the benefit of the Asserted lien or Interest Parties; provided that such titling in the name of TAA with respect to the Non-Estate Vehicles shall be for administrative purposes only and solely in TAA's capacity as agent for the Secured Parties) 3. <u>Tier III</u>: $125 – Significant and complicated title issues resulting in Vervent performing certain remediation services, including, but not limited to:

KEY TERMS OF THE SALE PROCEDURES	
	i. Working with DMV to track down latest title; ii. Working with DMV to ensure verified titles are matching their lienholder records prior to sale; iii. Outbound calls and troubleshooting any VIN discrepancies with DMVs; iv. Note: This pricing includes local DMV charges and completing applicable state required forms.
Estimated Auction Fees	A. In addition to the Administrative Fees and Title Processing Fees paid under the Vervent-Holman bid, the Trustee and Secured Parties acknowledge that certain pass-through costs from independent, non-affiliated third parties will be incurred through the sale process (the "Auction Fees"), and which shall be paid (or otherwise deducted) by the auction house from the Sale Proceeds and will be allocated on a Vehicle-by-Vehicle basis with respect to Vehicles sold by such applicable third parties. B. For the avoidance of doubt, there will be no markups or rebates associated with any Auction Fees, including costs associated with transportation, reconditioning, PII, technology fees, or auction sale fees. C. In no event shall the aggregate total of the Administrative Fee, Title Processing Fees, and Auction Fees as to a particular Vehicle exceed the Sale Proceeds obtained from the sale of such Vehicle. D. These Auction Fees will be tracked on a VIN-by-VIN basis and apply as follows: 1. Standard Fees (applies to all Vehicles sold) a. Auction Sale Fee ($150) – Flat rate fee for general auction services b. Cleaning ($35) or Detail ($90) – Flat rate fee, one of these two fees will apply to each Vehicle, based on the condition of such Vehicle; c. PII Removal ($30) – Flat rate fee to ensure appropriate removal of all digital and physical personally identifiable information from Vehicles; d. Technology Fee ($50) – Flat rate fee, auction integration into various technology (AutoIMS, Condition Reporting, Virtual Markets, and Simulcast platforms); e. Transportation Fee (estimated average of $125 - $200) – Actual, reasonable, and customary variable cost for transportation from retail/recondition facility to auction house; variable based on asset, condition, and distance of relocation. i. Note: Transportation Fees include dollars associated with impounds and repossession releases (i.e. storage costs or repair work paid for to obtain possession of the Vehicle).

<table>
<tr><th colspan="2">KEY TERMS OF THE SALE PROCEDURES</th></tr>
<tr><td></td><td>2. Per Occurrence (as needed for each Vehicle)
a. Key Replacement ($225 average) – Variable cost for a replacement key, only approved on an as-needed basis;
b. Miscellaneous Reconditioning – Variable cost for minor repair/reconditioning (battery replacement, tire replacement, windshield replacement, etc.);
c. Storage ($15/day) – flat rate per day, only applies to Vehicles that are secured at an auction house and removed prior to a sale by Holman.
F. Notwithstanding anything to the contrary herein, any auctioneer shall remit gross proceeds of the Vehicle Sales, without any set-off, recoupment, or other reduction for any pre-petition amounts owing from the Debtors to the auctioneers or their affiliates.</td></tr>
<tr><td>Trustee Costs</td><td>A. The Trustee is entitled to seek her statutory commission set forth under section 326(a) of the Bankruptcy Code (the "<u>Trustee Costs</u>"), and any such Trustee Costs will be allocated on a vehicle-by-vehicle basis for the applicable Vehicle. For avoidance of doubt, all parties reserve the right to challenge the Trustee's assertion of entitlement to statutory fees under 326(a) on behalf of the sale of Vehicles that are later determined to be Non-Estate Vehicles. For avoidance of doubt, the Secured Parties' consent to the Trustee's participation and oversight of the sale process, including the fact that proceeds flow through the Trustee's accounts, shall not be deemed a waiver as to [or otherwise prejudice] the Secured Parties' rights or arguments with respect to whether the Trustee has earned her statutory commission under section 326(a) of the Bankruptcy Code with respect to Non-Estate Vehicles.

B. The Trustee will provide the Secured Parties with written evidence (e.g., invoices) of the Trustee Costs and an opportunity to object to same before any portion of the Trustee Costs are paid from the Sale Proceeds of Vehicles. Any disputes regarding the Trustee Costs shall be determined by the Bankruptcy Court.</td></tr>
<tr><td>Surcharge Costs</td><td>A. Any out-of-pocket costs, fees, and expenses (including the Trustee's bond and excluding professional fees) reasonably incurred by (i) the Asserted Lien or Interest Parties [(except for costs incurred by or on behalf of Vervent or Holman that are covered under the fee structure referenced above)] that benefitted all or portions of the Estate Vehicles or (ii) any Asserted Lien or Interest Parties that benefitted all or portions of the Non-Estate Vehicles, including, in each case, costs, fees and expenses reasonably incurred by any Asserted Lien or Interest Parties (except for costs incurred by or on behalf of Vervent or Holman that are covered under the fee structure referenced above), or the Trustee, as applicable, in connection with the [storage, security, transportation, and] liquidation of the Vehicles (collectively, the "<u>Surcharge</u></td></tr>
</table>

<table>
<tr><th colspan="2">KEY TERMS OF THE SALE PROCEDURES</th></tr>
<tr><td></td><td>Costs”), will be allocated on a Vehicle-by-Vehicle basis pro rata to such benefited Vehicles and paid from the Sale Proceeds of such Vehicles.
B. The Trustee, Vervent and the Asserted Lien or Interest Parties shall work in good faith to determine an equitable allocation of such Surcharge Costs among the Vehicles. To the extent not agreed by such parties, any Asserted Lien or Interest Party requesting reimbursement of Surcharge Costs must include such request in its Asserted Lien or Interest Notice.
C. To the extent the Trustee and/or the other Asserted Lien or Interest Parties disagree with the requested Surcharge Costs, including without limitation the basis and/or amount thereof, and are unable to resolve such disagreement within 15 calendar days after the Proceeds Bar Date, such Surcharge Costs dispute will be submitted to the Court for adjudication; provided, however, that the Trustee and/or any other Asserted Lien or Interest Party may submit such dispute to the Court for adjudication at an earlier date.
D. For the avoidance of doubt, other than with respect to the Auction Costs and Trustee Costs from proceeds of Estate Vehicles, no Sale Proceeds for a particular Vehicle shall be distributed prior to the agreement and resolution of all Surcharge Costs applicable to such Vehicle. Promptly following the Trustee’s and the other Asserted Lien or Interest Parties’ written agreement and resolution of all Surcharge Costs, the Trustee will distribute the applicable Sale Proceeds accordingly.</td></tr>
<tr><td>Allocation of Sale Proceeds</td><td>A. The Trustee and each of the other Asserted Lien or Interest Parties, as applicable, will work cooperatively and in good faith to:
1. determine whether and which Sale Proceeds are subject to ownership, lien and/or priority disputes
2. identify the quantum of such disputes
3. identify the Asserted Lien or Interest Parties involved in such disputes
4. resolve or otherwise reach agreement with respect to such disputes
B. To the extent (1) the Trustee and all other Asserted Lien or Interest Parties agree in writing that there is no lien, ownership, and/or priority dispute with respect to a portion of the Sale Proceeds, or (2) the Asserted Lien or Interest Parties asserting an interest in the same portion of the Sale Proceeds and any party objecting to any such Asserted Lien or Interest with respect to such property resolve any lien, ownership, and/or priority dispute as between themselves (which resolution shall be memorialized in writing), in each case the Trustee will promptly, but in no event later than 7 business days after the date of such agreement or resolutions, distribute the applicable undisputed Sale Proceeds, after deduction of the applicable Auction Costs, Trustee Costs and Surcharge Costs allocated to the applicable Vehicles, to the Asserted Lien or Interest Party with the undisputed interest in such allocable Sale Proceeds.
C. If any Asserted Lien or Interest Parties asserting an interest in the same portion of the Sale Proceeds are unable to resolve any lien, ownership, and/or priority</td></tr>
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KEY TERMS OF THE SALE PROCEDURES	
	disputes as between themselves, such Parties will submit the dispute to the Court for adjudication; provided, however, that such Parties may submit such dispute to the Court for adjudication at an earlier date. D. After a dispute is resolved by the Court, the Sale Proceeds subject of such dispute shall be distributed in accordance with the terms of the Court's order no later than 3 calendar days after such order of the Court becomes final and non-appealable with respect to such dispute. E. The Trustee and the other Asserted Lien and Interest Parties agree: 1. that any lien, ownership, and/or priority disputes relating to the Vehicles or Sale Proceeds, or any other disputes in connection with the allocation of the Sale Proceeds, will be subject to and governed by motion practice in accordance with Bankruptcy Rule 9014 and related procedures, and 2. to submit to the jurisdiction of the Court and consent to the entry of a final order by the Court in connection with the sale process.

3. The Trustee is authorized to execute and deliver all instruments and documents (including any purchase instruments) and take other such action as may be necessary or appropriate to implement and effectuate the transactions contemplated by the Sale Procedures.

4. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the sales authorized pursuant to this Order.

5. To the extent applicable, the requirements of Bankruptcy Rule 6004(a) are waived.

6. To the extent necessary, the Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested is necessary to avoid immediate and irreparable harm.

7. All sales of assets by the Trustee pursuant to this Order and the Sale Procedures shall be final, and shall be on an "AS-IS and WHERE-IS" basis, without any express or implied warranties, covenants, guarantees, or representations of any kind by the Trustee. Without limiting the generality of the foregoing, neither the Trustee nor any other person or entity shall be deemed to have made any representation regarding any assets, and buyers shall have no recourse against,

and may not assert any claim against, the Trustee or the Debtors based on any such alleged representation.

8. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

9. The Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order, all purchase instruments and any other agreements executed in connection with any sales, and to adjudicate, if necessary, any and all disputes concerning or relating in any sales authorized by this Order.

 # # # END OF ORDER # # #

Prepared and submitted by:

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