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**PROPOSED COUNSEL FOR
DEBTOR AND DEBTOR-IN-POSSESSION**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	§	**Chapter 11**
	§	
VISION2SYSTEMS LLC	§	**Case No. 25-40583-11**
	§	
Debtor.	§	

DEBTOR'S EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE REJECTION OF THE NONRESIDENTIAL REAL PROPERTY LEASE WITH GPIWE, LP (II) AUTHORIZING THE ABANDONMENT OF CERTAIN PRPOPERTY, AND (III) GRANTING RELATED RELIEF

Vision2Systems (the "**Debtor**"), the debtor and debtor-in-possession in the above-captioned bankruptcy case, files this *Emergency Motion for Entry of an Order (I) Authorizing the Rejection of the Nonresidential Real Property Lease with GPIWE, LP, (II) Authorizing the Abandonment of Certain Property, and (III) Granting Related Relief* (the "**Motion**"), and respectfully state as follows:

Jurisdiction and Venue

1. This Court has jurisdiction over the bankruptcy cases and the subject matter of this Motion under 28 U.S.C. §§ 157 and 1334. Consideration of this Motion is a core proceeding

under 28 U.S.C. § 157(b)(2). Venue of the bankruptcy cases before this Court is appropriate under 28 U.S.C. §§ 1408 and 1409.

Background

A. The Debtor

2. On February 19, 2025 (the "**Petition Date**"), the Debtor filed a voluntary petition for bankruptcy under Chapter 11 of the Bankruptcy Code. The Debtor is currently a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee of unsecured creditors has been appointed.

3. The Debtor was created, in connection with Saddleback Valley Community Church ("**Saddleback**"), to assist churches to enable a ministry-first approach to stewardship and generosity and to acquire, own, hold, license, operate, market, manage, sell or otherwise develop intellectual property, including, without limitation, computer technology for use by non-profit organizations and churches for the specific use of offering online giving services to their supporters. Working with partner churches, the Debtor developed a product, Vision2, that provided churches with a comprehensive giving and people management solution that provided simplified reporting on a congregation's giving. The Vision2 software supports web, text, and mobile giving by donors, plus effortless scanning of checks, envelopes, and more, for single or multi-campus churches. Vision2 seamlessly integrated with its customer church's websites and allowed the churches to engage givers with a media-rich giving experience. More specifically, rather than focus on Old Testament dictates to tithe to the church, the Debtor's product helped churches elevate and highlight the ministries that were being funded by their congregations and then provide feedback on how campaigns and projects were being funded.

4. Using the Vision2 software, churches would open accounts in Vision2, allowing their members to make donations via a digital platform. The payment facilitation aspect of the Debtor's product was based upon the Debtor utilizing credit card transactions, ACH debits (to "pull" from the church member's accounts for their contribution), ACH Back Office Conversion transactions for individual checks that could be truncated, and ICL transactions for checks that could not be truncated. Funds were transmitted to church customers via ACH "push" transactions or Wire Transfers.

5. To allow the Debtor to facilitate payments and transfers more quickly to their customer churches, the Debtor utilized a "margin account" that allowed it to get immediate credit (prior to the ACH, ICL, or Credit Card transactions clearing) for the payments made by the church's members. While utilization of the margin account had the advantage or providing more immediate funds, the Debtor would later learn that the margin account would cover-up situations where transactions were reversed and money initially transferred to the Debtor's account, was subsequently withdrawn from its account in the clearance process. To complicate matters, there were a number of instances where Wells Fargo failed to send the required error files in a format requested and expected, so there was no clear communication that the withdrawal had occurred or the reason for the reversal and withdrawal. Through investigation and review of bank data files, the Debtor learned that for years it had essentially been over-settling transactions to many of its customer churches, which ultimately caused cash-flow shortfalls in settling transactions with other churches.

6. The purpose of the Debtor's bankruptcy is to (1) provide a central forum for the resolution of all claims in favor of, and against the Debtor, and (2) provide central forum and mechanism for the disposition of requested data. The Debtor anticipates that, in the resolution of

the claims of each of the various churches, creditors and the churches will want access to the highly sensitive and confidential data that underlies the reconciliation of the amounts owed. Rather than enter into multiple different confidentiality and non-disclosure agreements that may have inconsistent and varying terms the Debtor files this Motion seeking a protocol and process for customers and creditors to obtain the information necessary for them to reconcile their claims.

7. Additional information regarding the Debtor and its chapter 11 filing, including the Debtor's business operations, capital structure, financial condition, and the reasons for and objective of this chapter 11 case, is set forth in the Baldwin Declaration, filed contemporaneously herewith and incorporated herein by reference.

A. The Factory Six03 Lease

2. On August 1, 2018, the Debtor and GPIWE, LP (the "**Landlord**") entered into the Factory Six03 Office Lease (the "**Lease**") for the premises located at 603 Munger Avenue, Suite 375 Dallas, Texas 75202 (the "**Premises**"). The term of the Lease is 90 months, which commenced on December 1, 2018, and is set to expire May 31, 2026.

3. The Debtor vacated the premises in October 2024.

Relief Requested

4. By this Motion, the Debtor seeks entry of an order, substantially in the form of the proposed order attached as **Exhibit A**: (i) authorizing the rejection of the Lease, (ii) authorizing the abandonment of any *de minimis* furniture, equipment, and other personal property, and (iii) granting related relief.

Argument and Authority

A. Rejecting the Lease is in the Best Interest of the Debtor's Estate.

5. Section 365(a) of the Bankruptcy Code provides that "the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). Rejection under section 365 enables the debtor to relieve itself of burdensome and unprofitable contracts and leases to preserve and maximize value. *See Stewart Title Gaur. Co. v. Old Rep. Nat'l Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1996) (noting that section 365 "allows a trustee to relieve the bankruptcy estate of burdensome agreements which have not been completely performed.") (citation omitted). A trustee's power to reject is vested in a debtor-in-possession under section 1107 of the Bankruptcy Code. Bankruptcy courts use the business judgment standard to determine whether to approve rejection of an unexpired lease. *See Mission Product Holdings, Inc. v. Tempnology, LLC*, 139 S. Ct. 1652, 1658 (2019) ("The bankruptcy court will generally approve [a debtor's rejection of executory contracts and unexpired leases], under the deferential 'business judgment' rule."); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985) (quoting *Group of Inst. Inv. v. Chicago, Milwaukee, St. Paul & Pac. R.R. Co.*, 318 U.S. 523, 550 (1943)) ("It is well established that 'the question whether a lease should be rejected . . . is one of business judgment.'"); *In re Texas Sheet Metals, Inc.*, 90 B.R. 260, 264 (Bankr. S.D. Tex. 1988) ("The traditional business judgment standard governs the rejection of ordinary executory contracts.").

6. Here, the Debtor has determined that, in its sound business judgment, rejecting the Lease is in the best interest of its estate and creditors.

B. Rejecting the Lease as of the Petition Date is Proper.

11. Section 365 of the Bankruptcy Code does not specifically address whether courts may order rejection to be effective retroactively. In the Fifth Circuit, the general rule is that the effective date of rejection is the date of entry of the court order rejecting the leases. *See, e.g.*, *In re Cafeteria Operators, L.P.*, 299 B.R. 384, 394 (Bankr. N.D. Tex. 2003) (citations omitted). There is, however, substantial authority for permitting retroactive rejection. *See, e.g. In re Amber's Stores, Inc.*, 193 B.R. 819, 827 (Bankr. N.D. Tex. 1996) ("nothing precludes a bankruptcy court, based on the equities of the case, from approving the trustee's rejection of a non-residential real property lease retroactively to an earlier date."); *In re Cafeteria Operators, L.P.*, 299 B.R. at 394 (approving rejection retroactively to the later of the date the motion to reject was filed or the date the leased space was vacated); *In re Amber's Stores, Inc.*, 193 B.R. 819, 827 (Bankr. N.D. Tex. 1996) ("nothing precludes a bankruptcy court, based on the equities of the case, from approving the trustee's rejection of a non-residential real property lease retroactively to an earlier date."); *see also Thinking Machs. Corp. v. Mellon Fin. Servs. Corp. (In re Thinking Machines Corp.)*, 67 F.3d 1021, 1028–29 (1st Cir. 1995) (observing that "rejection under section 365(a) does not take effect until judicial approval is secured, but the approving court has the equitable power, in suitable cases, to order a rejection to operate retroactively" to the motion filing date); *Pacific Shore Dev., LLC v. At Home Corp (In re At Home Corp.)*, 392 F.3d 1064, 1067 (9th Cir. 2004) (same); *In re Chi-Chi's, Inc.*, 305 B.R. 396, 399 (Bankr. D. Del. 2004) ("[T]he court's power to grant retroactive relief is derived from the bankruptcy court's equitable powers so long as it promotes the purposes of section 365(a)."); *In re Joseph C. Spiess Co.*, 145 B.R. 597, 606 (Bankr. N.D. Ill. 1992) (finding trustee's rejection of lease should be retroactive to date trustee takes affirmative steps to reject, such as serving notice of motion to reject).

12. Here, the Lease should be rejected retroactively—more specifically, as of the Petition Date—because the equities favor retroactive rejection. If the Lease is not rejected retroactively, the Debtor will incur unnecessary administrative expenses. *See generally* 11 U.S.C. § 365(d)(3). Further, retroactive relief will not prejudice the Landlord because the Debtor vacated the Premises and notified the Landlord prior to the Petition Date.

C. Abandoning any Remaining Personal Property is in the Best Interest of the Debtor and its Estate.

13. Under section 554(a), "[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C. § 554(a). Any property remaining in the Premises[1] is of inconsequential value or burdensome to the Debtor's estate, and the cost of retrieving, marketing, and reselling such abandoned property would outweigh any recovery the Debtor could attain for such property. Accordingly, the abandonment of such property is in the best interests of the Debtor, its estate, and its creditors, and parties in interest will have sufficient notice of such abandonment.

Immediate Relief

14. Federal Rule of Bankruptcy Procedure 6003(b) empowers the Court to grant relief within the first 21 days after the Petition Date if the "relief is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003(b). Immediate and irreparable harm exists where the absence of relief would impair a debtor's ability to reorganize or threaten the debtor's future as a going concern. *See In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 36 n. 2 (Bankr. S.D.N.Y. 1990) (discussing the elements of "immediate and irreparable harm" in relation to Federal Rule of Bankruptcy Procedure 4001). As explained above, failure to reject the lease as of the petition date

[1] Prior to the Petition Date, the Landlord removed all remaining personal property from the Premises.

could certainly cause harm to the Debtors, in that it would incur additional administrative expenses for a property that has already been vacated.

15. The Debtor requests a waiver of the notice requirements of Federal Rule of Bankruptcy Procedure 6004(a) and any stay or an order granting the relief requested in accordance with Federal Rules of Bankruptcy Procedure 6004(h), 7062, or 9014, or otherwise for all of the reasons described above.

Notice

16. No Chapter 11 trustee or creditors' committee has been appointed in this case as of the filing of the Motion. Notice of this Motion has been provided via electronic means and/or via First Class United States Mail to: (a) the Office of the United States Trustee, (b) GPIWE Limited Partnership, LP, (c) the U.S. Small Business Administration, (d) CGC Royalty Investments IV, LP, and (e) any parties requesting notice of pleadings. In light of the nature of the relief requested in this Motion, the Debtor submits that no further notice is necessary.

Conclusion

The Debtor respectfully requests that the Court enter an order: (i) granting this Motion; (ii) rejecting the Lease as of the Petition Date; and (iii) granting the Debtor such other and further relief to which it may show itself to be justly entitled.

Dated: February 19, 2025.

Respectfully submitted,

/s/ Megan F. Clontz
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**PROPOSED COUNSEL
FOR DEBTOR AND
DEBTOR-IN-POSSESSION**

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that on February 19, 2025, I attempted conference with counsel for the Debtor's secured lenders, the U.S. Small Business Administration and CGC Royalty Investments IV, LP, regarding the bankruptcy filing and First Day Matters, including the foregoing motion and emergency consideration of the same. As of the time of filing, no response was received from counsel regarding the First Day Matters.

/s/ Megan F. Clontz
Megan F. Clontz

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that, on February 19, 2025, I attempted conference via email with Liz Young, Meredyth Kippes, Erin Schmidt, and Asher Bublick, counsel for the United States Trustee, regarding the bankruptcy filing and First Day Matters, including the foregoing motion and emergency consideration of the same. As of the time of filing, I did correspond with Erin Schmidt regarding the relief requested but have not received confirmation as to whether the United States Trustee is opposed the motion or emergency consideration of the same.

/s/ Megan F. Clontz
Megan F. Clontz

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on or before February 19, 2025, I served the foregoing pleading via electronic means and/or via First Class United States Mail to the parties on the attached service list, including:

(a) the Office of the United States Trustee,
(b) GPIWE Limited Partnership, LP,
(c) U.S. Small Business Administration;
(d) CGC Royalty Investments IV, LP, and
(e) any parties requesting notice of pleadings.

/s/ Megan F. Clontz
Megan F. Clontz

EXHIBIT A

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

In re:	§	**Chapter 11**
	§	
VISION2SYSTEMS LLC	§	**Case No. 25-40583-11**
	§	
Debtor.	§	

ORDER GRANTING DEBTOR'S MOTION TO REJECT NONRESIDENTIAL REAL PROPERTY LEASE WITH GPIWE, LP AND AUTHORIZING THE ABANDONDMENT OF CERTAIN PERSONAL PROPERTY

Upon the motion (the "**Motion**"), of the above-caption debtor and debtor-in-possession (the "**Debtor**") for entry of an order (this "**Order**"), (i) authorizing the rejection of the Lease, (ii) authorizing the rejection of any *de minimis* furniture, equipment, and other personal property, and (iii) granting related relief, as set forth more fully in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter under 28 U.S.C. § 1334; and this Court having found that this is a core proceeding under 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States

Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion, and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion and the record of the hearing on such motion establish just cause for the relief granted herein; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Lease is rejected as of the Petition Date.
3. The Debtor is authorized to abandon property, if any, that may be located at the Premises and all such property is deemed abandoned effective as of the Petition Date. The Landlord may effectuate its rights and remedies with respect to such property. The automatic stay, to the extent applicable, is modified to allow for such utilization or disposition.
4. The Debtor is authorized to take all actions necessary to effectuate the relief granted by this Order in accordance with the Motion.
5. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rules 6006(c) and 6007(a), and the Local Rules are satisfied by such notice.

6. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

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

END OF ORDER # #

Submitted by:

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