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Proposed 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.*,	Case No. 25-33487 (MVL)
Debtors.[1]	(Joint Administration Requested)

EMERGENCY MOTION FOR ENTRY OF ORDER APPROVING STIPULATION BETWEEN CHAPTER 7 TRUSTEE AND VERVENT, INC.

Anne Elizabeth Burns, solely in her capacity as the duly appointed Chapter 7 bankruptcy trustee (the "**Trustee**") for Tricolor Holdings, LLC and its various debtor affiliates (collectively, the "**Debtors**"), hereby moves (the "**Motion**") for entry of an order (the "**Order**"), on an emergency basis, approving and endorsing as an order of this Court the stipulation (the "**Stipulation**") between the Trustee and Vervent, Inc. and its applicable affiliates ("**Vervent**")

[1] The Debtors and their bankruptcy case numbers are: Tricolor Holdings, LLC (25-33487), TAG Intermediate Holding Company, LLC (25-33495), Tricolor Auto Group, LLC (25-33496), Tricolor Auto Acceptance, LLC (25-33497), Tricolor Insurance Agency, LLC (25-33512), Tricolor Home Loans LLC (25-33511), Tricolor Real Estate Services (25-33514), TAG California Holding Company, LLC (25-33493), Flexi Compras Autos, LLC (25-33490), TAG California Intermediate Holding Company, LLC (25-33494), Tricolor California Auto Group, LLC (25-33502), Tricolor California Auto Acceptance, LLC (25-33501), Risk Analytics LLC (25-33491), Tricolor Tax, LLC (25-33515), Tricolor Financial, LLC (25-33510), Tricolor Auto Receivables LLC (25-33498), TAG Asset Funding, LLC (25-33492), Apoyo Financial, LLC (25-33489).

attached as **Exhibit A** to the proposed order filed with this Motion. In support of this Motion, the Trustee states as follows:

JURISDICTION AND VENUE

1. The United States District Court for the Northern District of Texas (the "**District Court**") has original, but not exclusive, jurisdiction over the Debtors' chapter 7 cases pursuant to 28 U.S.C. § 1334(b). By the District Court's standing order of reference, this matter was referred to this Court pursuant to 28 U.S.C. § 157.

2. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and this Court has constitutional authority to enter final judgment in this proceeding.

3. Venue is proper in this district pursuant to 28 U.S.C. § 1408, and venue over this proceeding is proper in this district pursuant to 28 U.S.C. § 1409.

GENERAL BACKGROUND

4. On September 10, 2025 (the "**Petition Date**"), the Debtors commenced their chapter 7 cases by filing voluntary petitions for relief under chapter 7 of the Bankruptcy Code with this Court.

5. The Trustee was appointed on September 10, 2025.

6. Vervent is an industry-leading loan servicing company that, among other things, provides customizable loan servicing support, regulatory reporting and compliance protocols, secure fund flow and controls services, and other related services under various loan facilities across numerous industries and sectors.

7. In addition, given its experience and servicing expertise, Vervent is frequently retained by lenders, investors, and other clients to provide back-up servicer support, which means Vervent is contracted to step into the position of a primary loan servicer in the event the primary

servicer is unable to perform its contracted servicer obligations or otherwise is removed from that role following a default.

8. Here, prior to the Petition Date, Vervent was engaged as the back-up servicer under various Servicing Agreements (as defined in the Stipulation), including Servicing Agreements in which Debtor Tricolor Auto Acceptance, LLC was the primary servicer. Due to various prepetition defaults, Tricolor Auto Acceptance, LLC ("**TAA**") was terminated as servicer under certain of these Servicing Agreements prior to the Petition Date, and Vervent was appointed as successor servicer in accordance with the Servicing Agreements.

9. In its capacity as servicer, TAA would manage and service the loans and receive into various accounts identified on **Exhibit B** to the Order (the "**Collection Accounts**") funds remitted by borrowers with respect to the Receivables (as defined below). Since TAA's termination as servicer, the funds in the Collection Accounts have not been transferred as required under the Servicing Agreements and related documents.

10. TAA, along with the other applicable Debtors, are no longer operating or otherwise able to perform their obligations under the Servicing Agreements. Thus, Vervent has been working diligently with the Trustee, applicable agents and indenture trustees for the lenders and investors, and others to transition servicer duties to Vervent (including to secure the necessary records, gain collateral access, and complete other processes required for that transition), to operate as successor servicer under the Servicing Agreements, and to fund necessary and immediate servicing transition costs.

11. Vervent's ability to continue servicing the applicable loans and to otherwise provide the servicer duties under the Servicing Agreements during these cases is essential to protecting the interests of all parties and the estates, including the lenders and consumer borrowers,

as well as in allowing the Trustee to perform her statutory duties, including to secure property of the estates and to administer assets and claims.

12. The services to be provided by Vervent as successor servicer, as set forth in more detail in the Servicing Agreements, include, without limitation, the following:

a) Manage, service, administer and make collections on certain loan receivables originated by the Debtors as described in the Servicing Agreements (the "**Receivables**");

b) Collect and consolidate funds remitted by borrowers with respect to the Receivables and respond to borrower inquiries related to the Receivables;

c) Collect, transport and dispose or repurpose collateral related to the Receivables, including via vehicle GPS information and repossession from Debtor-owned premises, including the utilization of the Collection Accounts in the manner consistent with the Stipulation and the Servicing Agreements;

d) At no expense to the Debtors' estates, investigate delinquencies related to the Receivables;

e) Provide collection and repossession services in the event of borrower defaults related to the Receivables;

f) Utilize the Debtors' brand identities and company names to accomplish the Services;

g) With respect to the Receivables, manage and maintain electronic and physical data of the Debtors to accomplish the Services, including via web domains owned or operated by the Debtors; and

h) Communicate and contract with and pay vendors, contractors, suppliers, and creditors of the Debtors or other third parties to accomplish the Services; provided that Vervent may not enter into any contracts that bind the Debtors' estates.

13. Accordingly, following multiple discussions between the Trustee, Vervent, and other relevant parties, the Trustee seeks approval, on an emergency basis, to enter into the

Stipulation to ensure that Vervent is able to perform its services under the Servicing Agreements, including to the extent such services implicate property of the bankruptcy estates or might otherwise require modification of the automatic stay in Section 362(a) of the Bankruptcy Code. Because continuity of loan serving is critical to these cases and to the Trustee's ability to perform her statutory duties and administer the estates for the benefit of creditors, as well as to ensure compliance with applicable non-bankruptcy law, the Trustee submits that entry of the Stipulation is in the best interests of the estates and should be approved by this Court.

Dated: September 17, 2025

Respectfully submitted,

<u>/s/ Charles R. Gibbs</u>
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Proposed Counsel to the Chapter 7 Trustee

CERTIFICATE OF SERVICE

I do hereby certify that on September 17, 2025, a true and correct copy of the foregoing document 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.

/s/ Charles R. Gibbs
Charles R. Gibbs

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

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

ORDER GRANTING CHAPTER 7 TRUSTEE'S MOTION FOR ENTRY OF ORDER APPROVING STIPULATION BETWEEN TRUSTEE AND VERVENT INC.

Upon consideration of the above-referenced motion [Dkt. No. ____] (the "**Motion**"), and for good and sufficient cause shown, and this Court finding that entry of this Order and approval of the Stipulation attached hereto as **Exhibit A** (the "**Stipulation**") is in the best interests of

[1] The Debtors and their bankruptcy case numbers are: Tricolor Holdings, LLC (25-33487), TAG Intermediate Holding Company, LLC (25-33495), Tricolor Auto Group, LLC (25-33496), Tricolor Auto Acceptance, LLC (25-33497), Tricolor Insurance Agency, LLC (25-33512), Tricolor Home Loans LLC (25-33511), Tricolor Real Estate Services (25-33514), TAG California Holding Company, LLC (25-33493), Flexi Compras Autos, LLC (25-33490), TAG California Intermediate Holding Company, LLC (25-33494), Tricolor California Auto Group, LLC (25-33502), Tricolor California Auto Acceptance, LLC (25-33501), Risk Analytics LLC (25-33491), Tricolor Tax, LLC (25-33515), Tricolor Financial, LLC (25-33510), Tricolor Auto Receivables LLC (25-33498), TAG Asset Funding, LLC (25-33492), Apoyo Financial, LLC (25-33489).

creditors and the estates, it is hereby **ORDERED**, **ADJUDGED**, and **DECREED** that:

1. The Motion is **GRANTED**.

2. The Stipulation is approved and endorsed as an Order of this Court.

3. The Trustee[2] and Vervent are authorized to enter into the Stipulation and to implement the Stipulation as set forth therein within their business judgment.

4. The Trustee is hereby authorized, upon request from Vervent, to grant, and hereby does grant, Vervent access to and use of funds in the Collection Accounts, identified on **Exhibit B** hereto, to (x) fund necessary servicing and transition costs incurred in accordance with the Stipulation and Servicing Agreements and related documents and (y) transfer, pool and segregate into accounts established by Vervent proceeds of Receivables received in the Collection Accounts from time to time, which shall remain subject to any applicable liens. Vervent will only request and utilize funds from the Collection Accounts with the prior written approval of Wilmington Trust, N.A. (which approval shall be consistent with the applicable Servicing Agreement and related documents), JPMorgan Chase Bank, N.A. and Fifth Third Bank, N.A.

5. PayNearMe is authorized and directed to take direction from Vervent as successor servicer, including the transmission of current funds and amounts currently residing with PayNearMe into accounts designated by Vervent. Vervent shall pool and segregate any such funds received from PayNearMe or otherwise in a manner satisfactory to Wilmington Trust, N.A., JPMorgan Chase Bank, N.A. and Fifth Third Bank, N.A., and, with respect to any funds that are collateral or property of Origin Bank, Origin Bank.

6. Wells Fargo is authorized and directed to continue to maintain, service and administer the Collection Accounts at the direction of the Trustee, including by transferring funds

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

from the Collection Accounts to segregated accounts maintained by Vervent, subject to the lien (if applicable) of the applicable agent or trustee. The Trustee may only provide such direction in accordance with the terms of this Order and no funds in such accounts may be utilized for any purpose other than as expressly set forth in this Order and the Stipulation.

7. Notwithstanding anything herein, all rights and remedies of the Trustee, Vervent, Wilmington Trust, N.A., JPMorgan Chase Bank, N.A., Fifth Third Bank, N.A. and each of the other parties in interest in these cases are expressly preserved.

8. To the extent any relief in the Stipulation implicates the automatic stay in Section 362(a) of the Bankruptcy Code, the automatic stay is hereby modified as to Vervent to the extent required for Vervent to perform its services and obligations under the Stipulation and the Servicing Agreements.

9. This Order shall be effective immediately upon entry on the docket.

10. A hearing on the potential extension or termination of the relief granted herein shall be held on October [●], 2025 at [●] a.m./p.m. (prevailing Central Time).

11. Absent further order of the Court, the relief granted in paragraphs 4 and 5 herein shall automatically terminate on Friday, October 17, 2025 at 11:59 p.m. (prevailing Central Time).

END OF ORDER

Submitted by:

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Michael Wombacher (TX Bar No. 24120434)
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Proposed Counsel to the
Chapter 7 Trustee

Exhibit A

Stipulation

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

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

STIPULATION BETWEEN CHAPTER 7 TRUSTEE AND VERVENT, INC.

Anne Elizabeth Burns, solely in her capacity as the Chapter 7 bankruptcy trustee (the "**Trustee**") for Tricolor Holdings, LLC and its various debtor affiliates (collectively, the "**Debtors**"), hereby stipulates and agrees with Vervent, Inc. and its applicable affiliates ("**Vervent**") as follows:

WHEREAS, on September 10, 2025 (the "**Petition Date**"), the Debtors commenced their

[1] The Debtors and their bankruptcy case numbers are: Tricolor Holdings, LLC (25-33487), TAG Intermediate Holding Company, LLC (25-33495), Tricolor Auto Group, LLC (25-33496), Tricolor Auto Acceptance, LLC (25-33497), Tricolor Insurance Agency, LLC (25-33512), Tricolor Home Loans LLC (25-33511), Tricolor Real Estate Services (25-33514), TAG California Holding Company, LLC (25-33493), Flexi Compras Autos, LLC (25-33490), TAG California Intermediate Holding Company, LLC (25-33494), Tricolor California Auto Group, LLC (25-33502), Tricolor California Auto Acceptance, LLC (25-33501), Risk Analytics LLC (25-33491), Tricolor Tax, LLC (25-33515), Tricolor Financial, LLC (25-33510), Tricolor Auto Receivables LLC (25-33498), TAG Asset Funding, LLC (25-33492), Apoyo Financial, LLC (25-33489).

chapter 7 cases by filing voluntary petitions for relief under chapter 7 of the Bankruptcy Code with this Court.

WHEREAS, the Trustee was appointed on September 10, 2025.

WHEREAS, Vervent is (or may become) a party to the following agreements involving the Debtors (collectively, the "**Servicing Agreements**"):

1. Sale and Servicing Agreement, dated as of April 1, 2022, among Tricolor Auto Securitization Trust 2022-1, Tricolor Auto Receivables 2 LLC, Tricolor Auto Acceptance, LLC, Wilmington Trust, National Association, and Vervent;

2. Sale and Servicing Agreement, dated as of February 1, 2023, among Tricolor Auto Securitization Trust 2023-1, Tricolor Auto Receivables 2 LLC, Tricolor Auto Acceptance, LLC, Wilmington Trust, National Association, and Vervent;

3. Sale and Servicing Agreement, dated as of January 1, 2024, among Tricolor Auto Securitization Trust 2024-1, Tricolor Auto Grantor Trust 2024-1, Tricolor Auto Receivables 2 LLC, Tricolor Auto Acceptance, LLC, Wilmington Trust, National Association, and Vervent;

4. Sale and Servicing Agreement, dated as of May 1, 2024, among Tricolor Auto Securitization Trust 2024-2, Tricolor Auto Grantor Trust 2024-2, Tricolor Auto Receivables 2 LLC, Tricolor Auto Acceptance, LLC, Wilmington Trust, National Association, and Vervent;

5. Sale and Servicing Agreement, dated as of October 1, 2024, among Tricolor Auto Securitization Trust 2024-3, Tricolor Auto Grantor Trust 2024-3, Tricolor Auto Receivables 2 LLC, Tricolor Auto Acceptance, LLC, Wilmington Trust, National Association, and Vervent;

6. Sale and Servicing Agreement, dated as of March 1, 2025, among Tricolor Auto Securitization Trust 2025-1, Tricolor Auto Grantor Trust 2025-1, Tricolor Auto Receivables 2 LLC, Tricolor Auto Acceptance, LLC, Wilmington Trust, National Association, and Vervent;

7. Sale and Servicing Agreement, dated as of June 1, 2025, among Tricolor Auto Securitization Trust 2025-2, Tricolor Auto Grantor Trust 2025-2, Tricolor Auto Receivables 2 LLC, Tricolor Auto Acceptance, LLC, Wilmington Trust, National Association, and Vervent;

8. Letter Agreement regarding Assumption of Liquidation Agent Duties, dated

as of September 5, 2025, among Vervent and JPMorgan Chase Bank, N.A.;

9. Letter Agreement regarding Assumption of Successor Services Duties to be entered into on or around the date hereof by and between Vervent and Fifth Third Bank, N.A.;

10. Credit Agreement, dated as of November 13, 2020, among Tricolor Funding SPV 4 LLC, Tricolor Auto Acceptance, LLC, the lenders from time to time party thereto, the agent from time to time party thereto, JPMorgan Chase Bank, N.A., Wilmington Trust, National Association, and Vervent; and

11. Additional servicing agreements or arrangements, which may be entered into between Vervent and any parties relating to the Debtors or non-Debtors, structured facilities and/or trusts that purchased assets from the Debtors for similar services in the future.

WHEREAS, pursuant to the Servicing Agreements, Vervent was (or may be) engaged to perform certain services as described therein (the "**Services**"), including, without limitation, the following:

1. Manage, service, administer and make collections on certain loan receivables originated by the Debtors as described in the Servicing Agreements (the "**Receivables**");

2. Collect and consolidate funds remitted by borrowers with respect to the Receivables and respond to borrower inquiries related to the Receivables;

3. Collect, transport and dispose or repurpose collateral related to the Receivables, including via vehicle GPS information and repossession from Debtor-owned premises, including the utilization of the Collection Accounts in the manner consistent with the Stipulation and the Servicing Agreements;

4. At no expense to the Debtors' estates, investigate delinquencies related to the Receivables;

5. Provide collection and repossession services in the event of borrower defaults related to the Receivables;

6. Utilize the Debtors' brand identities and company names to accomplish the Services;

7. With respect to the Receivables, manage and maintain electronic and physical data of the Debtors to accomplish the Services, including via web

domains owned or operated by the Debtors;[2] and

8. Communicate and contract with and pay vendors, contractors, suppliers, and creditors of the Debtors or other third parties to accomplish the Services; provided that Vervent may not enter into any contracts that bind the Debtors' estates.

NOW, **THEREFORE**, the Trustee and Vervent hereby stipulate and agree as follows:

A. Vervent is authorized to perform the Services in accordance with the Servicing Agreements.

B. Vervent, the Trustee, and the counterparties to the Servicing Agreements shall have the authority, without further Order of the Bankruptcy Court, to expand the scope of authority granted to Vervent therein via written agreement among said parties; provided Vervent shall give prior notice to Wilmington Trust, N.A., JPMorgan Chase Bank, N.A. and Fifth Third Bank, N.A. of any change to Vervent's scope of authority.

C. For avoidance of doubt, nothing in this Stipulation shall permit Vervent to bind the Trustee or the estates for any financial obligations to third parties.

D. This Stipulation shall be binding upon and inure to the benefit of the parties hereto, and their successors and assigns.

E. This Stipulation shall be effective immediately upon approval by the Court. The Court shall retain jurisdiction for purposes of resolving any issues relating to this Stipulation.

[*Remainder of page left intentionally blank*]

[2] In no event, however, shall this provision limit in any way the Debtors' ownership of this electronic and physical data.

SO STIPULATED:

Dated: September 17, 2025

Vervent, Inc.

_/s/ Derek Gamble_________________
By: Derek Gamble
Its: Chief Legal Officer & Chief Compliance Officer

Dated: September 17, 2025

Chapter 7 Trustee

___/s/ Anne Elizabeth Burns___________
By: Anne Elizabeth Burns

Submitted by:

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Michael Wombacher (TX Bar No. 24120434)
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Proposed Counsel to the Chapter 7 Trustee

Exhibit B

Collection Accounts

Collection Account(s)	Debtor	Account(s) Ending
Deposit Accounts	Tricolor Auto Acceptance, LLC	Wells Fargo Bank *7634, *9370, *7292,*7276