



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: February 08, 2023.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION** **CRAIG A. GARGOTTA**
CHIEF UNITED STATES BANKRUPTCY JUDGE

IN RE:	§	
	§	
CHRIS PETTIT & ASSOCIATES, P.C.	§	BANKRUPTCY No. 22-50591-CAG
	§	
CHRISTOPHER JOHN PETTIT,	§	BANKRUPTCY No. 22-50592-CAG
	§	(Jointly Administered under
	§	Case No. 22-50591)
DEBTORS.	§	CHAPTER 11

ORDER REGARDING MOTION TO REQUIRE TRUSTEE TO SEGREGATE COUNSEL FINANCIAL'S CASH COLLATERAL AND FOR ADEQUATE PROTECTION PURSUANT TO 11 U.S.C. § 363(E)

Came on to be considered the *Motion to Require Trustee to Segregate Counsel Financial's Cash Collateral and for Adequate Protection Pursuant to 11 U.S.C. §363(e)* [ECF No. 784] (the "**Motion**")¹ and the Court, after considering the pleadings and representations of counsel, finds that: (a) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court has the constitutional authority to enter a final order on the Motion; (c) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (d) proper and adequate notice of the Motion and hearing hereon has been given and no other or further notice is necessary; and (e) good and sufficient cause exists for granting the relief requested set forth herein.

¹ Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Motion.

IT IS, THEREFORE, ORDERED that the *Motion to Require Trustee to Segregate Counsel Financial's Cash Collateral and for Adequate Protection Pursuant to 11 U.S.C. §363(e)* is hereby GRANTED as set out herein;

IT IS FURTHER ORDERED that the net proceeds of the sale of the Debtors' personal property, exclusive of the proceeds from the sale of any vehicles which are not addressed by this Order, shall be held by and separately accounted for by the Trustee. The Trustee shall be prohibited from using such funds without the consent of Counsel Financial or further Order of this Court;

IT IS FURTHER ORDERED that the Trustee is permitted to pay from the proceeds of the sale of the Debtors' personal property the Court approved fees of the auctioneer conducting the sale of the Debtors' personal property (the "Auctioneer's Fee") and personal property taxes due, owed and payable on the Debtors' personal property (the "PP Taxes");

IT IS FURTHER ORDERED that the Trustee, any creditor or other party in interest may challenge the validity, amount, perfection, priority, extent, or enforceability of the purported secured claim or the prepetition security interests of Counsel Financial (a "**Challenge**"), so long as any Challenge is made on or before March 24, 2023 (the "**Challenge Period**"), after which Challenge Period all Challenges shall be deemed finally and conclusively barred; provided further that if one or more Challenges are timely made under this paragraph, then except for such Challenges, all other potential Challenges are hereby deemed forever barred, waived and relinquished. With respect to any potential Challenge(s), Counsel Financial and any Challenger may, by agreement and filed Notice and Stipulation regarding any potential Challenge, agree to a resolution of any such Challenge with such Notice and Stipulation becoming binding on all parties in the Debtors' jointly administered cases unless a party in the jointly administered cases files an objection to the Stipulation within fourteen (14) days of the filing of the Notice and

Stipulation. If an objection to any Notice and Stipulation is timely filed, Counsel Financial shall request a hearing on such Objection from the Court;

IT IS FURTHER ORDERED that the Trustee's rights under section 506(c) of the Bankruptcy Code shall be preserved, and that the Trustee may, at a later date by separate motion, request the Court's permission to surcharge any property subject to any Counsel Financial lien;

IT IS FURTHER ORDERED that Counsel for the Trustee shall serve a copy of this Order on the Trustee's General Service List and post it on the Trustee's website maintained for the jointly administered cases; and

IT IS FURTHER ORDERED that this Court shall retain exclusive jurisdiction to hear and determine all matters arising from the interpretation and implementation of this Order.

###

Submitted by:

PULMAN, CAPPUCCIO & PULLEN, LLP
2161 NW Military Hwy., Suite 400
San Antonio, TX 78213
Telephone: (210) 222-9494
Facsimile: (210) 892-1610
Randall A. Pulman
Texas State Bar No. 16393250
rpulman@pulmanlaw.com
W. Drew Mallender
Texas State Bar No. 24118450
dmallender@pulmanlaw.com
Anna K. MacFarlane
Texas State Bar No. 24116701
amacfarlane@pulmanlaw.com

**ATTORNEYS FOR
COUNSEL FINANCIAL II LLC AND
COUNSEL FINANCIAL HOLDINGS, LLC**