

DISTRICT COURT, CITY AND COUNTY OF DENVER
STATE OF COLORADO
1437 Bannock Street
Denver, CO 80202

DATE FILED
December 5, 2024 4:42 PM
FILING ID: F35D12FFEC47C
CASE NUMBER: 2024CV30763

Plaintiffs: ROSS BERMAN, an individual; JASON H. KARP, an individual; IMJ I LLC, a Delaware limited liability company; RACHEL FARBER REVOCABLE TRUST, STEPHEN FARBER REVOCABLE TRUST, and RED CLOUD CAPITAL, LLC, a Connecticut limited liability company;

Plaintiffs-Intervenors: TREVOR GALLUP, an individual; and LYNN HONDERD, an individual,

v.

Defendants: BELLROCK BRANDS, INC., a British Columbia corporation, BRB DB HOLDINGS, INC., a Delaware corporation, BRB MARY'S HOLDINGS CORP., a Delaware corporation, DIXIE BRANDS (USA) INC., a Delaware corporation, MARY'S OPERATIONS, LLC, a Colorado limited liability company, MARY'S PETS, LLC, a Colorado limited liability company, MARY'S NUTRITIONALS, LLC, a Colorado limited liability company, DB FINANCE, NEVADA, LLC, a Nevada limited liability company, and DB OKLAHOMA, LLC, a Colorado limited liability company.

▲ COURT USE ONLY ▲

Attorneys for Intervenor Trevor Gallup:

John A. Chanin, Reg. No. 20749
Katherine A. Roush, Reg. No. 39267
Julie M. Behrman, Reg. No. 37825
Foster Graham Milstein & Calisher LLP
360 S. Garfield Street, 6th Floor
Denver, Colorado 80209
Phone: (303)333-9810
Fax: (303)333-9786
Email: jchanin@fostergraham.com
kroush@fostergraham.com
jbehrman@fostergraham.com

Case Number: 2024CV30763

Division: 466

INTERVENORS' PROPOSED ORDERS REGARDING RECEIVERS

Intervenor Trevor Gallup, by and through his undersigned counsel, and also on behalf of Intervenor Lynn Honderd, submit Intervenor's proposed orders regarding the receivers pursuant to the Court's orders on November 20, 2024:

1. This Court has ordered Plaintiffs, Defendants, and Honderd and Gallup to jointly propose two orders that effectuate the Court's rulings contained in its November 20, 2024 orders. "The first order should set forth the duties and powers of West 4th in providing Management Services. The second order should set forth the duties and powers of the third party that will manage the Claims Services."

2. The parties have had several productive discussions and drafts but have been unable to come to a complete agreement on the proposed receivership orders the Court has requested.

3. Therefore, Intervenor's attach their proposed orders in redline and clean versions.

4. The parties will be filing a joint motion to request the Court hold a status conference regarding the receivership orders and the resetting of case and claim deadlines, including the hearing dates for Intervenor's claims.

Dated this 5th day of December, 2024.

FOSTER GRAHAM MILSTEIN &
CALISHER, LLP

By: /s/ Julie M. Behrman
John A. Chanin, Reg. No. 20749
Katherine A. Roush, Reg. No. 39267
Julie M. Behrman, Reg. No. 37825
Attorneys For Intervenor Trevor Gallup

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on December 5, 2024, a true and correct copy of the foregoing **INTERVENORS' PROPOSED ORDERS REGARDING RECEIVERS** was served via the *Colorado Courts E-filing System* upon all parties/counsel of record.

/s/ Julie M. Behrman
Julie M. Behrman

DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202	DATE FILED December 5, 2024 4:42 PM FILING ID: F35D12FFEC47C CASE NUMBER: 2024CV30763
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[[PROPOSED] SECOND AMENDED ORDER SETTING FORTH DUTIES AND POWERS OF CO-RECEIVER WEST 4TH IN PROVIDING MANAGEMENT SERVICES	

On March 25, 2024 the Court issued its ORDER RE: FORTHWITH MOTION FOR IMMEDIATE APPOINTMENT OF RECEIVER-MANAGER PURSUANT TO C.R.C.P. 121, § 1-15(4). Subsequent proceedings have prompted the Court to revisit the Order *sua sponte*. The Court **vacated** its March 25, 2024 Order and **replaced** it with **the AMENDED ORDER RE: FORTHWITH MOTION FOR IMMEDIATE APPOINTMENT OF RECEIVER-MANAGER**

PURSUANT TO C.R.C.P. 121, § 1-15(4) (“Amended Order”). The Court’s changes to the March 25, 2024 Order are reflected herein in **track changes**.

The Court, having considered the Complaint of Ross Berman, Jason H. Karp, IMJ I LLC, Rachel Farber Revocable Trust, Stephen Farber Revocable Trust, and Red Cloud Capital, LLC, pending in the District Court for the County of Colorado, under Case No. 2024-CV-30763 (the “Complaint”), the Motion for Immediate Appointment of a Receiver-Manager (the “Motion”), and the Declaration of Stephen Farber, as Trustee of the Rachel Farber Trust and the Stephen Farber Trust, and Manager of IMJ I LLC (the “Declaration”), and having reviewed the file and being fully advised in the premises, hereby finds that:

This Second Amended Order is hereby further amended to include the following directives consistent with the Court’s November 20, 2024 Orders:

1. This Court has jurisdiction and venue is proper in this juridical district.

The Loan

2. On April 19, 2021, the Original Lenders¹ entered into that certain Original Note in the principal amount of \$4,000,000. Also on April 19, 2021, Bellrock and BRB DB Holdings entered into the Original Security Agreement. The Original Note and Original Security Agreement were subsequently amended.

3. Under the Amended Note, the total amount owed in principal was \$3,057,128.77, with accrued interest of \$1,531,354.38, an amendment fee of \$458,848.32, and a maker-in-control fee of \$449,031.07. The accumulative total at the time was \$5,496,362.54. The maturity date under the first amendment to the Original Note was January 3, 2023. Interest accrued at 25% per annum,

¹ Defined terms will have the same meaning as in the Motion.

compounded monthly. Failure to pay all amounts due and owing by the maturity date results in a default interest rate of 35% per annum, compounded monthly.

4. As more particularly described in the Amended Security Agreement, Motion and Declaration, Plaintiffs have presented evidence of a blanket security right in Defendants' collateral. This includes providing Plaintiffs a continuing security interest in all of Defendants' property, inventory and proceeds.

5. Plaintiffs have presented evidence of duly filed UCC-1 financing statements in relation to the Collateral.

6. Plaintiffs have presented evidence that Defendants have failed to comply with the Amended Note and Security Agreement. Defendants' failure to comply includes failing to pay all payments when they were due and owing. Defendants have still failed to pay all amounts due and owing.

7. Plaintiffs have presented evidence that Defendants' failure to comply constitutes a default under the Amended Note and Amended Security Agreement. The defaults also trigger default interest under the Amended Note.

8. Under the Amended Security Agreement, in the event of default, Plaintiffs' remedies include all rights a secured party may have under the Uniform Commercial Code, as adopted by the applicable jurisdiction, the right to immediately take possession of the Collateral, and to bring a proceeding in court, including the sale of the Collateral. Defendants also contractually agreed to cooperate in connection with the removal of the Collateral.

9. Section 7 of the Amended Security Agreement also states that upon a default, Plaintiffs are entitled to seek the appointment of a receiver, receiver-manager, and receiver and

manager. The Amended Security Agreement also authorizes Plaintiffs to select and appoint such receiver, and such receiver may exercise any and all rights and remedies and powers of the Plaintiffs provided in the Amended Security Agreement.

10. Moreover, an unsecured creditor has recently initiated an Arbitration against certain Defendants, thereby further jeopardizing Plaintiffs' Collateral.

11. Plaintiffs request that Proposed Receiver- Manager be appointed, and Defendants do not oppose. Proposed Receiver-Manager has institutional knowledge and substantial expertise in the cannabis space, two critical elements for Defendants' successful restructuring and maximizing value for the benefit of all stakeholders.

12. Given the occurrence and continuation of Defendants' defaults, the potential threat to Plaintiffs' collateral, and the plain language of agreements at issue, and finding further that maintaining the ongoing operations of Defendants is the in the best interest of all parties in interest to this matter, the Court finds that Plaintiffs are entitled to the appointment of a Receiver-Manager under the Amended Security Agreement and applicable law.

13. Plaintiffs have presented evidence, and the Court further finds that the Proposed Receiver-Manager is qualified to be appointed as Receiver-Manager.

IT IS FURTHER ORDERED THAT:

14. West 4th Holdings, LLC, whose business address is: PO Box 264, Kulpsville, PA 19443, is hereby appointed as the Receiver-Manager (the "Receiver-Manager"), and shall forthwith take physical possession of, manage, operate, and protect the Collateral and to operate the Defendants' business.

15. The Receiver-Manager shall not, however, assume any responsibility for the administration, adjudication, or resolution of claims brought by or against Receivership Defendants, unless expressly authorized by the Court in a separate Order. Any such claims administrative process shall be administered by a court-appointed co-receiver consistent with the Court's November 20, 2024 Order re Intervenors' Forthwith Joint Motion to Disqualify.

16. Employees and agents of Receiver-Manager shall have the power and authority described below, which may be exercised without further order of the Court:

- a. To enter onto and take possession and control of the Collateral, plus all revenues, payments, royalties, issues, profits, revenues and income thereof;
- b. To operate, manage and maintain the Collateral, in whole or in part, in the ordinary course of business;
- c. To communicate with any lienholders that are junior to Plaintiffs regarding the status of the Collateral;
- d. To communicate with any unsecured creditors, including contract counterparties, of the Defendants regarding their claims;
- e. To expend funds as the Receiver-Manager deems necessary and advisable to assist in performing its duties hereunder and to pay therefore the ordinary and usual rates and prices out of receivership funds, subject to the limitations set forth in subparagraph (b) above;
- f. To perform such maintenance as is necessary to bring the Collateral into compliance with all state, local and federal laws, and to maintain the Collateral in the condition of the same or similar quality as exists as of the

Receiver-Manager's appointment, subject to the limitations set forth in subparagraph (b) above,

- g. To demand, collect and receive all profits derived from the Collateral, or any part thereof, including all proceeds and other Collateral described and pledged in the Loan Documents;
- h. To bring and prosecute all proper actions for the (i) collection of proceeds and profits derived from the Collateral; (ii) protection of the Collateral; (iv) damage caused to the Collateral; (v) possession of the Collateral; or (vi) any other action reasonably necessary to manage, maintain or operate the Collateral;
- i. To employ any person or firm to collect, manage, lease, maintain, preserve, or operate the Collateral, subject to the limitations set forth in subparagraph (b) above;
- j. To hire, employ and retain attorneys, certified public accountants, appraisers, investigators, security guards, consultants, and any other personnel or employees which the Receiver-Manager deems necessary to assist in the discharge of its duties, subject to the limitations set forth in subparagraph (b) above;
- k. To use the personnel of Receiver-Manager or hire on a contract basis personnel necessary to maintain and preserve the Collateral, and to retain, hire and terminate personnel, and contract for and obtain such services as are reasonably necessary to operate, preserve and protect the Collateral, all

as the Receiver-Manager may reasonably deem necessary; provided, however, no contract shall extend beyond the termination of the Receivership unless authorized by the parties;

1. To take charge of the Property assets and all personal property owned by Defendants, regardless of where such property is located, including, but not limited to, intellectual property, proprietary formulas and recipes, trademarks, brands, trade secrets, confidential information, other intangible assets, invoices, purchase orders, inventory, bank accounts, security deposits, software, checks, drafts, notes, certificates, books, records, contracts, agreements of any kind, claims, deposits, rents, revenues, royalties, income, issues, profits, rental payments, lease payments, insurance payments, condemnation awards, rent rolls, accounts receivable and payable, other accounting information, records, including, but not limited to, claims against third parties, leases, files, furniture, and licenses, franchise agreements, fixtures, appliances, equipment, supplies, blueprints, building permits, property entitlements, soil reports, engineering reports and inspection reports. The books and records of the entity, including all tangible and intangible property, real and personal property, lease rights, contracts, account receivables, inventory, supplies, materials, motor vehicles, equipment, furniture and furnishings owned by or held by Defendants. "Property" also includes all books and records, of any nature whatsoever, including, without limitation, minute and stock books and the

like, contracts to which the Defendants are a party, all correspondence to, from or referring to the Defendants, all insurance policies, all documents and instruments related to any of the Property, all books of account, receipts, checkbooks, tax returns, other financial records of the Defendants in documentary or electronic form, and any rights, claims or chose in action of the Defendants. With respect to any records or information existing in computer memory or other electronic medium, such information shall be deemed to include the medium on which such information is stored and appropriate software and hardware to access such information. "Property" also includes accounts receivable, securities, certificates of deposit, notes payable and receivables, contractor lists, development and construction plans and specifications, leases, appliances, escrowed funds and deposits and supplies;

- m. To oversee and perform all other accounting and final reporting functions;
- n. To continue in effect or terminate or amend, in the Receiver-Manager's business judgment, any contracts presently existing relating to the Collateral without the payment of any termination penalties or fees, notwithstanding any contrary provisions contained in such contracts subject to the limitations set forth in subparagraph (b) above;
- o. To pay and discharge out of receivership funds all reasonable expenses of the receivership and the costs and expenses of operation and maintenance of the Collateral, including all taxes, governmental assessments and charges

in the nature thereof lawfully imposed upon the Collateral to the extent that the funds in receivership are sufficient to discharge such taxes, assessments and charges; provided, however, that the risk or obligation so incurred shall be the risk or obligation solely of the Receivership Estate, and not of the Receiver-Manager personally or in its corporate capacity, subject to the limitations set forth in subparagraph (b) above. Additionally, the Receiver-Manager shall not be obligated or responsible to pay for any expenses of the Collateral incurred prior to its appointment, although the Receiver-Manager may pay such obligations to the extent that the Receiver-Manager deems such payment to be reasonably beneficial to the operations of the Defendants;

- p. To advance reasonable funds to keep current or discharge through payment any liens encumbering the Collateral that are senior to the lien arising under the Loan Documents, subject to prior approval of the Court;
- q. To apply for, obtain and pay any reasonable fees for any lawful license, permit, certificate or other governmental approval relating to the Collateral or the operation thereof, confirm the existence of and, to the extent permitted by law, exercise the privileges of any existing license or permit or certificate or the operation thereof, and do all things necessary to protect and maintain such licenses, permits, certificates and approvals subject to the limitations set forth in subparagraph (b) above;

- r. To open, transfer and change all bank accounts and trade accounts and deposit all sums received by the Receiver-Manager in a financial institution insured by the federal government in the name of the Receiver-Manger;
- s. To present for payment any checks, money orders, and other forms of payment made payable to the Collateral, which constitute or are derived from the Collateral, endorse same and collect the proceeds thereof, such proceeds to be used and maintained as elsewhere provided herein;
- t. To do such other things as may be necessary or incidental to the foregoing specific powers, directions, and general authorities;
- u. To pay itself reasonable compensation for performing the duties hereunder, subject to the limitations set forth in subparagraph (b) above;
- v. Provide the Court monthly reports of Receiver-Managers' compensation, and costs of Receivership. The report shall include itemized billing statements for the Receiver-Manager and any party retained or contracted by the Receiver-Manager to provide professional services, and the report shall include the amount and value of any services for which Receiver-Manager is or has elected to forego or defer compensation;
- w. To sell all or a portion of the Collateral and clear of liens, claims, interests and encumbrances, subject to approval of the Court;
- x. Consistent with the rights in the Loan Documents, the Receiver shall keep Plaintiffs and other secured creditors apprised of the status of the Collateral and business operations of the Defendants;

- y. The Receiver-Manager is hereby authorized to apply the proceeds, revenues, income, issues and profits collected by the Receiver-Manager in connection with the management and operation of the Collateral: first, to the Receiver-Manager's compensation as identified above; second, to the other costs and expenses of the receivership, including any management fees, attorney fees and other out-of-pocket expenses incurred by the Receiver-Manager in connection with the receivership; third, to the costs of operating, maintaining and repairing the Collateral; fourth, to payment of expenses of the Collateral, including, but not limited to, payment of real and personal property taxes, insurance, water and sanitation bills, utilities and other operating expenses; fifth, to repay all sums borrowed by the Receiver-Manager as evidenced by Receiver- Manger's certificates; sixth, whenever sufficient funds are available for such purpose, the Receiver-Manager shall make principal and interest payments toward any loans which are secured by a lien on the Collateral, in order of their Collateral priority; and, seventh, to a fund to be held by the Receiver-Manager in an interest-bearing account, pending further order of this Court.
- z. The receivership may be terminated by only by the Court.,
- aa. Secured Creditors may petition the Court to remove or modify appointment of the Receiver-Manager.
- bb. Nothing herein shall limit or otherwise modify Secured Creditors' rights and remedies under the Loan Documents or the Uniform Commercial Code.

cc. Receiver-Manger may issue demands in the name of the Receivership Estate upon the U.S. Postal Service to gain exclusive possession and control of such postal boxes as may have been used by Defendants for the receipt of payments and mail, and may direct that certain mail related to the Collateral and its business be re-directed to Receiver-Manager.

dd. Due to the Receiver-Manager's experience, the Receiver-Manager is not required to post a bond.

17. Defendants and their agents, officers, employees, members and contractors are hereby directed to forthwith deliver and turn over to the Receiver-Manager: (i) any rents which come into their possession from and after the date hereof; (ii) the proceeds and control of all bank accounts containing tenant security deposits, rental payments and other funds relating to the upkeep and maintenance of the Collateral; and (iii) possession of any and all documents, books, records and property which relate to the management, operation, occupancy, insurance, maintenance, or service of the Collateral in any way, including, but not limited to: (a) all tapes, microfilm, computer disks, or other computer or electronic records; (b) all codes, passwords or other information necessary to access computerized data; (c) all rent, lists, leases, subleases and rental or occupancy agreements with the tenants and subtenants in possession of the Mortgaged Premises or any part or parts thereof; (d) all tenants' and subtenants' money deposits or other property given to secure tenants' and subtenants' obligations under leases or subleases; (e) all intellectual property, proprietary formulas and recipes, trademarks, brands, trade secrets, confidential information, other intangible assets; (f) all service, maintenance, and other contracts and agreements; (g) all lists of vendors and records of transactions with vendors; (h) all books of

account, payroll records, accounts receivable and account payable lists, budgets and other financial records; (i) all monies on deposit with vendors, service companies, utility companies or others; (j) employment and union agreements and records relating to past and present employees; (k) keys; (l) all permits and licenses necessary for the operation of the Premises; (m) all bank and bank account records; (n) all similar agreements, documents and instruments; and (o) all related correspondence and notices; and it is further

18. The Receiver-Manger shall provide written notice of this Order to all persons or entities in possession and all other interested persons or entities.

DATED this ____ day of _____, 2024.
BY THE COURT

District Court Judge

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202</p>	<p>DATE FILED December 5, 2024 4:42 PM FILING ID: F35D12FFEC47C CASE NUMBER: 2024CV30763</p>
<p>Plaintiffs: Ross Berman, Jason H. Karp, IMJ I LLC, a Delaware limited liability company, Rachel Farber Revocable Trust, Stephen Farber Revocable Trust, and Red Cloud Capital, LLC, a Connecticut limited liability company,</p> <p><u>and Plaintiff-Intervenors: Trevor Gallup, an individual; and Lynn Honderd, an individual.</u></p> <p>v.</p> <p>Defendants: Bellrock Brands Inc., a British Columbia corporation, BRB DB Holdings, Inc., a Delaware corporation, BRB Mary’s Holdings Corp., a Delaware corporation, Dixie Brands (USA) Inc., a Delaware corporation, Mary’s Operations, LLC, a Colorado limited liability company, Mary’s Pets, LLC, a Colorado limited liability company, Mary’s Nutritionals, LLC, a Colorado limited liability company, DB Finance, Nevada, LLC, a Nevada limited liability company, and DB Oklahoma, LLC, a Colorado limited liability company.</p>	<p>▲ □ COURT USE ONLY ▲ □</p> <hr/> <p>Case Number: 2024CV30763</p> <p>Division:</p>
<p align="center">[[PROPOSED] <u>SECOND AMENDED</u> ORDER SETTING FORTH DUTIES AND POWERS OF <u>CO-RECEIVER</u> WEST 4TH IN PROVIDING MANAGEMENT SERVICES</p>	

On March 25, 2024 the Court issued its ORDER RE: FORTHWITH MOTION FOR IMMEDIATE APPOINTMENT OF RECEIVER-MANAGER PURSUANT TO C.R.C.P. 121, § 1-15(4). Subsequent proceedings have prompted the Court to revisit the Order sua sponte. The Court vacates vacated its March 25, 2024 Order and replaces replaced it with the AMENDED ORDER RE: FORTHWITH MOTION FOR IMMEDIATE APPOINTMENT OF RECEIVER-

MANAGER PURSUANT TO C.R.C.P. 121, § 1-15(4) (“Amended Order”). The Court’s changes to the March 25, 2024 Order are reflected herein in track changes.

The Court, having considered the Complaint of Ross Berman, Jason H. Karp, IMJ I LLC, Rachel Farber Revocable Trust, Stephen Farber Revocable Trust, and Red Cloud Capital, LLC, pending in the District Court for the County of Colorado, under Case No. 2024-CV-30763 (the “Complaint”), the Motion for Immediate Appointment of a Receiver-Manager (the “Motion”), and the Declaration of Stephen Farber, as Trustee of the Rachel Farber Trust and the Stephen Farber Trust, and Manager of IMJ I LLC (the “Declaration”), and having reviewed the file and being fully advised in the premises, hereby finds that:

This Second Amended Order is hereby further amended to include the following directives consistent with the Court’s November 20, 2024 Orders:

1. This Court has jurisdiction and venue is proper in this juridical district.

The Loan

2. On April 19, 2021, the Original Lenders¹ entered into that certain Original Note in the principal amount of \$4,000,000. Also on April 19, 2021, Bellrock and BRB DB Holdings entered into the Original Security Agreement. The Original Note and Original Security Agreement were subsequently amended.

3. Under the Amended Note, the total amount owed in principal was \$3,057,128.77, with accrued interest of \$1,531,354.38, an amendment fee of \$458,848.32, and a maker-in-control fee of \$449,031.07. The accumulative total at the time was \$5,496,362.54. The maturity date under the first amendment to the Original Note was January 3, 2023. Interest accrued at 25% per annum,

¹ Defined terms will have the same meaning as in the Motion.

compounded monthly. Failure to pay all amounts due and owing by the maturity date results in a default interest rate of 35% per annum, compounded monthly.

4. As more particularly described in the Amended Security Agreement, Motion and Declaration, Plaintiffs have presented evidence of a blanket security right in Defendants' collateral. This includes providing Plaintiffs a continuing security interest in all of Defendants' property, inventory and proceeds.

5. Plaintiffs have presented evidence of duly filed UCC-1 financing statements in relation to the Collateral.

6. Plaintiffs have presented evidence that Defendants have failed to comply with the Amended Note and Security Agreement. Defendants' failure to comply includes failing to pay all payments when they were due and owing. Defendants have still failed to pay all amounts due and owing.

7. Plaintiffs have presented evidence that Defendants' failure to comply constitutes a default under the Amended Note and Amended Security Agreement. The defaults also trigger default interest under the Amended Note.

8. Under the Amended Security Agreement, in the event of default, Plaintiffs' remedies include all rights a secured party may have under the Uniform Commercial Code, as adopted by the applicable jurisdiction, the right to immediately take possession of the Collateral, and to bring a proceeding in court, including the sale of the Collateral. Defendants also contractually agreed to cooperate in connection with the removal of the Collateral.

9. Section 7 of the Amended Security Agreement also states that upon a default, Plaintiffs are entitled to seek the appointment of a receiver, receiver-manager, and receiver and

manager. The Amended Security Agreement also authorizes Plaintiffs to select and appoint such receiver, and such receiver may exercise any and all rights and remedies and powers of the Plaintiffs provided in the Amended Security Agreement.

10. Moreover, an unsecured creditor has recently initiated an Arbitration against certain Defendants, thereby further jeopardizing Plaintiffs' Collateral.

11. Plaintiffs request that Proposed Receiver- Manager be appointed, and Defendants do not oppose. Proposed Receiver-Manager has institutional knowledge and substantial expertise in the cannabis space, two critical elements for Defendants' successful restructuring and maximizing value for the benefit of all stakeholders,.

12. Given the occurrence and continuation of Defendants' defaults, the potential threat to Plaintiffs' collateral, and the plain language of agreements at issue, and finding further that maintaining the ongoing operations of Defendants is the in the best interest of all parties in interest to this matter, the Court finds that Plaintiffs are entitled to the appointment of a Receiver-Manager under the Amended Security Agreement and applicable law.

13. Plaintiffs have presented evidence, and the Court further finds that the Proposed Receiver-Manager is qualified to be appointed as Receiver-Manager.

IT IS FURTHER ORDERED THAT:

14. West 4~~th~~ Holdings, LLC, whose business address is: PO Box 264, Kulpsville, PA 19443, is hereby appointed as the Receiver-Manager (the "Receiver-Manager"), and shall forthwith take physical possession of, manage, operate, and protect the Collateral and to operate the Defendants' business.

14.15. The Receiver-Manager shall not, however, assume any responsibility for the administration, adjudication, or resolution of claims brought by or against Receivership Defendants, unless expressly authorized by the Court in a separate Order. Any such claims administrative process shall be administered by a court-appointed co-receiver claims receiver consistent with the Court's November 20, 2024 Order re Intervenors' Forthwith Joint Motion to Disqualify.

15.16. Employees and agents of Receiver-Manager shall have the power and authority described below, which may be exercised without further order of the Court:

- a. To enter onto and take possession and control of the Collateral, plus all revenues, payments, royalties, issues, profits, revenues and income thereof;
- b. To operate, manage and maintain the Collateral, in whole or in part, in the ordinary course of business;
- c. To communicate with any lienholders that are junior to Plaintiffs regarding the status of the Collateral;
- d. To communicate with any unsecured creditors, including contract counterparties, of the Defendants regarding their claims;
- e. To expend funds as the Receiver-Manager deems necessary and advisable to assist in performing its duties hereunder and to pay therefore the ordinary and usual rates and prices out of receivership funds, subject to the limitations set forth in subparagraph (b) above;
- f. To perform such maintenance as is necessary to bring the Collateral into compliance with all state, local and federal laws, and to maintain the

Collateral in the condition of the same or similar quality as exists as of the Receiver-Manager's appointment, subject to the limitations set forth in subparagraph (b) above,

- g. To demand, collect and receive all profits derived from the Collateral, or any part thereof, including all proceeds and other Collateral described and pledged in the Loan Documents;
- h. To bring and prosecute all proper actions for the (i) collection of proceeds and profits derived from the Collateral; (ii) protection of the Collateral; (iv) damage caused to the Collateral; (v) possession of the Collateral; or (vi) any other action reasonably necessary to manage, maintain or operate the Collateral;
- i. To employ any person or firm to collect, manage, lease, maintain, preserve, or operate the Collateral, subject to the limitations set forth in subparagraph (b) above;
- j. To hire, employ and retain attorneys, certified public accountants, appraisers, investigators, security guards, consultants, and any other personnel or employees which the Receiver-Manager deems necessary to assist in the discharge of its duties, subject to the limitations set forth in subparagraph (b) above;
- k. To use the personnel of Receiver-Manager or hire on a contract basis personnel necessary to maintain and preserve the Collateral, and to retain, hire and terminate personnel, and contract for and obtain such services as

are reasonably necessary to operate, preserve and protect the Collateral, all as the Receiver-Manager may reasonably deem necessary; provided, however, no contract shall extend beyond the termination of the Receivership unless authorized by the parties;

1. To take charge of the Property assets and all personal property owned by Defendants, regardless of where such property is located, including, but not limited to, intellectual property, proprietary formulas and recipes, trademarks, brands, trade secrets, confidential information, other intangible assets, invoices, purchase orders, inventory, bank accounts, security deposits, software, checks, drafts, notes, certificates, books, records, contracts, agreements of any kind, claims, deposits, rents, revenues, royalties, income, issues, profits, rental payments, lease payments, insurance payments, condemnation awards, rent rolls, accounts receivable and payable, other accounting information, records, including, but not limited to, claims against third parties, leases, files, furniture, and licenses, franchise agreements, fixtures, appliances, equipment, supplies, blueprints, building permits, property entitlements, soil reports, engineering reports and inspection reports. The books and records of the entity, including all tangible and intangible property, real and personal property, lease rights, contracts, account receivables, inventory, supplies, materials, motor vehicles, equipment, furniture and furnishings owned by or held by Defendants. "Property" also includes all books and records, of any nature

whatsoever, including, without limitation, minute and stock books and the like, contracts to which the Defendants are a party, all correspondence to, from or referring to the Defendants, all insurance policies, all documents and instruments related to any of the Property, all books of account, receipts, checkbooks, tax returns, other financial records of the Defendants in documentary or electronic form, and any rights, claims or chose in action of the Defendants. With respect to any records or information existing in computer memory or other electronic medium, such information shall be deemed to include the medium on which such information is stored and appropriate software and hardware to access such information. "Property" also includes accounts receivable, securities, certificates of deposit, notes payable and receivables, contractor lists, development and construction plans and specifications, leases, appliances, escrowed funds and deposits and supplies;

- m. To oversee and perform all other accounting and final reporting functions;
- n. To continue in effect or terminate or amend, in the Receiver-Manager's business judgment, any contracts presently existing relating to the Collateral without the payment of any termination penalties or fees, notwithstanding any contrary provisions contained in such contracts subject to the limitations set forth in subparagraph (b) above;
- o. To pay and discharge out of receivership funds all reasonable expenses of the receivership and the costs and expenses of operation and maintenance

of the Collateral, including all taxes, governmental assessments and charges in the nature thereof lawfully imposed upon the Collateral to the extent that the funds in receivership are sufficient to discharge such taxes, assessments and charges; provided, however, that the risk or obligation so incurred shall be the risk or obligation solely of the Receivership Estate, and not of the Receiver-Manager personally or in its corporate capacity, subject to the limitations set forth in subparagraph (b) above. Additionally, the Receiver-Manager shall not be obligated or responsible to pay for any expenses of the Collateral incurred prior to its appointment, although the Receiver-Manager may pay such obligations to the extent that the Receiver-Manager deems such payment to be reasonably beneficial to the operations of the Defendants;

- p. To advance reasonable funds to keep current or discharge through payment any liens encumbering the Collateral that are senior to the lien arising under the Loan Documents, subject to prior approval of the Court;
- q. To apply for, obtain and pay any reasonable fees for any lawful license, permit, certificate or other governmental approval relating to the Collateral or the operation thereof, confirm the existence of and, to the extent permitted by law, exercise the privileges of any existing license or permit or certificate or the operation thereof, and do all things necessary to protect and maintain such licenses, permits, certificates and approvals subject to the limitations set forth in subparagraph (b) above;

- r. To open, transfer and change all bank accounts and trade accounts and deposit all sums received by the Receiver-Manager in a financial institution insured by the federal government in the name of the Receiver-Manger;
- s. To present for payment any checks, money orders, and other forms of payment made payable to the Collateral, which constitute or are derived from the Collateral, endorse same and collect the proceeds thereof, such proceeds to be used and maintained as elsewhere provided herein;
- t. To do such other things as may be necessary or incidental to the foregoing specific powers, directions, and general authorities;
- u. To pay itself reasonable compensation for performing the duties hereunder, subject to the limitations set forth in subparagraph (b) above;
- v. Provide ~~the Court Secured Creditors~~ monthly reports of Receiver-Managers' compensation, and costs of Receivership ~~and provide the Court with no less than quarterly reports.~~ The report shall include itemized billing statements for the Receiver-Manager and any party retained or contracted by the Receiver-Manager to provide professional services, and the report shall include the amount and value of any services for which Receiver-Manager is or has elected to forego or defer compensation;
- w. To sell all or a portion of the Collateral and clear of liens, claims, interests and encumbrances, subject to approval of the Court;

- x. Consistent with the rights in the Loan Documents, the Receiver shall keep Plaintiffs and other secured creditors apprised of the status of the Collateral and business operations of the Defendants;
- y. The Receiver-Manager is hereby authorized to apply the proceeds, revenues, income, issues and profits collected by the Receiver-Manager in connection with the management and operation of the Collateral: first, to the Receiver-Manager's compensation as identified above; second, to the other costs and expenses of the receivership, including any management fees, attorney fees and other out-of-pocket expenses incurred by the Receiver-Manager in connection with the receivership; third, to the costs of operating, maintaining and repairing the Collateral; fourth, to payment of expenses of the Collateral, including, but not limited to, payment of real and personal property taxes, insurance, water and sanitation bills, utilities and other operating expenses; fifth, to repay all sums borrowed by the Receiver-Manager as evidenced by Receiver- Manger's certificates; sixth, whenever sufficient funds are available for such purpose, the Receiver-Manager shall make principal and interest payments toward any loans which are secured by a lien on the Collateral, in order of their Collateral priority; and, seventh, to a fund to be held by the Receiver-Manager in an interest-bearing account, pending further order of this Court.
- z. The receivership may be terminated by only by the Court.~~Receiver Manger or by Defendants, as provided in this paragraph, immediately upon~~

~~completion of a valid sale of the Collateral, or upon the payment of all owed funds, consistent with the Loan Documents. Upon the occurrence of either event, the Receiver Manager shall be discharged from all further duties, liabilities and responsibilities relating to the Collateral.~~

aa. Secured Creditors may petition the Court to remove or modify appointment of the Receiver-Manager.

bb. Nothing herein shall limit or otherwise modify Secured Creditors' rights and remedies under the Loan Documents or the Uniform Commercial Code.

cc. Receiver-Manger may issue demands in the name of the Receivership Estate upon the U.S. Postal Service to gain exclusive possession and control of such postal boxes as may have been used by Defendants for the receipt of payments and mail, and may direct that certain mail related to the Collateral and its business be re-directed to Receiver-Manager.

dd. Due to the Receiver-Manager's experience, the Receiver-Manager is not required to post a bond.

~~ee. In the event that a bankruptcy case is filed by the Defendants during the pendency of this Receivership, Plaintiffs must give notice of same to this Court, to all parties, and to the Receiver-Manager, within two (2) business days of Plaintiffs' receipt of notice of the bankruptcy filing. Upon receipt of notice that a bankruptcy has been filed, which includes as part of the bankruptcy estate any property which is subject to this Order, the Receiver-Manager shall do the following:~~

- ~~i. The Receiver Manager shall immediately contact the Plaintiffs and determine whether Plaintiffs intend to move in the Bankruptcy Court for an order for relief from the Receiver Manger's obligation to turn over the Collateral (11 U.S.C. Section 543).~~
- ~~ii. If the Plaintiffs indicate no intention to make such a motion, then the Receiver Manger shall immediately turn over the property of the applicable Defendant to either the trustee in bankruptcy, if one has been appointed, or if not, then to the debtor in possession, and otherwise comply with 11 U.S.C. Section 543.~~
- ~~iii. If the Plaintiffs express an intention to immediately seek relief from the Receiver Manger's obligation to turn over the Collateral, then the Receiver Manager is authorized to remain in possession and preserve the Collateral pending the outcome of such motion (11 U.S.C. Section 543(a)). The Receiver Manager's authority to preserve the Collateral is limited as follows: The Receiver Manager may continue to collect proceeds of the Collateral. The Receiver Manager may make disbursements, but only those which are necessary to preserve and protect the Collateral. The Receiver Manager shall not execute any new agreements or other long term contracts. The Receiver Manager shall do nothing that would affect a material change in circumstances of the Collateral.~~

- ~~iv. Notwithstanding the above, if Plaintiffs fail to file a motion within 10 court days after their receipt of notice of the bankruptcy filing, then the Receiver shall immediately turn over the Collateral of the Defendants either to the trustee in bankruptcy, if one has been appointed or, if not, to the debtor in possession, and otherwise comply with 11 U.S.C. Section 543.~~
- ~~v. The Receiver Manager and/or the parties to this action may at any time apply to the Court for any further instructions or orders and for further powers necessary to enable the Receiver Manager to perform its duties properly.~~

~~16.17.~~ Defendants and ~~their its~~ agents, officers, employees, members and contractors are hereby directed to forthwith deliver and turn over to the Receiver-Manager: (i) any rents which come into their possession from and after the date hereof; (ii) the proceeds and control of all bank accounts containing tenant security deposits, rental payments and other funds relating to the upkeep and maintenance of the Collateral; and (iii) possession of any and all documents, books, records and property which relate to the management, operation, occupancy, insurance, maintenance, or service of the Collateral in any way, including, but not limited to: (a) all tapes, microfilm, computer disks, or other computer or electronic records; (b) all codes, passwords or other information necessary to access computerized data; (c) all rent, lists, leases, subleases and rental or occupancy agreements with the tenants and subtenants in possession of the Mortgaged Premises or any part or parts thereof; (d) all tenants' and subtenants' money deposits or other property given to secure tenants' and subtenants' obligations under leases or subleases; (e) all

intellectual property, proprietary formulas and recipes, trademarks, brands, trade secrets, confidential information, other intangible assets; (f) all service, maintenance, and other contracts and agreements; (g) all lists of vendors and records of transactions with vendors; (h) all books of account, payroll records, accounts receivable and account payable lists, budgets and other financial records; (i) all monies on deposit with vendors, service companies, utility companies or others; (j) employment and union agreements and records relating to past and present employees; (k) keys; (l) all permits and licenses necessary for the operation of the Premises; (m) all bank and bank account records; (n) all similar agreements, documents and instruments; and (o) all related correspondence and notices; and it is further

~~17. Defendants shall turn over all documents relating to any past or present litigation concerning the Collateral to the Receiver Manager, and shall cooperate with the Receiver Manager in its taking over of such litigation.~~

18. The Receiver-Manger shall provide written notice of this Order to all persons or entities in possession and all other interested persons or entities.

DATED this ____ day of _____, 2024.
BY THE COURT

District Court Judge

DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202	DATE FILED December 5, 2024 4:42 PM FILING ID: F35D12FFEC47C CASE NUMBER: 2024CV30763
<p>Plaintiffs: Ross Berman, Jason H. Karp, IMJ I LLC, a Delaware limited liability company, Rachel Farber Revocable Trust, Stephen Farber Revocable Trust, and Red Cloud Capital, LLC, a Connecticut limited liability company,</p> <p>and Plaintiff-Intervenors: Trevor Gallup, an individual; and Lynn Honderd, an individual.</p> <p>v.</p> <p>Defendants: Bellrock Brands Inc., a British Columbia corporation, BRB DB Holdings, Inc., a Delaware corporation, BRB Mary’s Holdings Corp., a Delaware corporation, Dixie Brands (USA) Inc., a Delaware corporation, Mary’s Operations, LLC, a Colorado limited liability company, Mary’s Pets, LLC, a Colorado limited liability company, Mary’s Nutritionals, LLC, a Colorado limited liability company, DB Finance, Nevada, LLC, a Nevada limited liability company, and DB Oklahoma, LLC, a Colorado limited liability company.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> <hr/> Case Number: 2024CV30763 Division: 466
[PROPOSED] ORDER SETTING FORTH DUTIES AND POWERS OF THIRD-PARTY CO-RECEIVER IN ADMINISTRATING CLAIMS SERVICES	

THIS MATTER is before the Court on the Court's November 20, 2024 Order regarding the appointment of a third party co-receiver the (“Co-Receiver”) that will manage the Claims Services, as defined in the Court's November 20, 2024 Order (the “Claims Servicer Order”):

THE COURT HEREBY ORDERS THE:

I. Appointment of Co-Receiver:

A. Purpose and Scope

1. A third party Co-Receiver will be retained to manage the Claims (as defined below), to manage all aspects of the instant litigation necessary to the receivership, to manage the process that determines the nature and amount of West 4th's compensation, and to manage the plan of reorganization of the Defendant companies. Such engagement will include the review, and resolution process for Claims brought against or on behalf of Receivership Defendants.
2. The Claims to be administered are solely and exclusively:
 - i. Timely filed Claims in connection with this Court's Order Granting Receiver's Motion to Establish Claims Administration Procedure and to Set Claims Bar Date ("Bar Date Order"). Prior to the deadline set forth in the Bar Date Order, 88 Claimants timely filed Proofs of Claim (the "Timely Filed Claims"). The Timely Filed Claims are attached hereto as **Exhibit A**.
 - ii. Claims in connection with Hondred's and Gallup's Motion to Intervene, subject to the limitations set forth in the Stipulation and Scheduling Order, particularly, Claims 1, 2 and 8 in Intervenor's Complaint in Intervention ("Intervenor Claims").
 - iii. (the Timely Filed Claims and Intervenor Claims are collectively, the "Claims").
3. Any action taken by the Co-Receiver shall also be consistent with all Orders entered in this matter, including but not limited to this Court's:

- i. May 13, 2024 Order Granting Receiver's Motion to Establish Claims Administration Procedures and set Claims Bar Date.
 - ii. November 20, 2024, Order Re Intervenor's Forthwith Joint Motion to Disqualify Receiver.
 - iii. November 20, 2024, Order re: Forthwith Motion for Immediate Appointment of Reviver-Manager Pursuant of C.R.C.P. 121 Section 1-154(4) and
 - iv. Any subsequent orders setting forth the roles and responsibilities of the court-appointed or managers in this matter.
4. Accordingly, and in abundance of caution, the Co-Receiver shall have no authority to manage, operate, or control the day-to-day business, assets, or operations of Receivership Defendants, as those duties remain excluded from this appointment and are currently vested in West 4th as a Receiver-Manager.
 5. The Co-Receiver shall have all other authority and powers available to a receiver as recognized under C.R.C.P. 66 and the law.

II. Co-Receiver shall perform the following duties:

A. Claims Notification and Outreach

1. Develop and implement a notification plan to inform Claimants of the updated claims process, deadlines, and procedures that remain.
2. Disseminate notices via mail, email, and public postings, as appropriate, in accordance with Court-approved protocols.

3. Establish and maintain a website or other communication channels to provide claimants with information and assistance, in connection with Co-Receiver's management of Claims.

B. Claims Verification

1. Establish a file with respect to each Claim in accordance with accepted industry standard. To the extent not already done, compile all relevant documents in connection with each Claim.

C. Litigation Management

1. Defend all litigation or other proceeding involving any Claims asserted by the Intervenor, or other proceeding involving any Claims asserted by any other Claimant, including any objections made to any Claims, and when appropriate, attend any judicial or other proceeding involving any Claim.
2. In the event that a bankruptcy case is filed by the Defendants during the pendency of this Receivership, Plaintiffs must give notice of same to this Court, to all parties, and to the Co-Receiver, within two (2) business days of Plaintiffs' receipt of notice of the bankruptcy filing. Upon receipt of notice that a bankruptcy has been filed, which includes as part of the bankruptcy estate any property which is subject to this Order, the Co-Receiver shall do the following:
 - i. The Co-Receiver shall immediately contact the Plaintiffs and Intervenor and determine whether Plaintiffs and/or Intervenor intend to move in the Bankruptcy Court for an order for relief from the Co-Receiver's obligation to turn over the Collateral (11 U.S.C. Section 543).

- ii. If the Plaintiffs and/or Intervenors indicate no intention to make such a motion, then the Co-Receiver shall immediately turn over the property of the applicable Defendant to either the trustee in bankruptcy, if one has been appointed, or if not, then to the debtor-in-possession, and otherwise comply with 11 U.S.C. Section 543.
- iii. If the Plaintiffs and/or Intervenors express an intention to immediately seek relief from the Co-Receiver's obligation to turn over the Collateral, then the Co-Receiver is authorized to remain in possession and preserve the Collateral pending the outcome of such motion (11 U.S.C. Section 543(a)). The Co-Receiver's authority to preserve the Collateral is limited as follows: The Co-Receiver may continue to collect proceeds of the Collateral. The Co-Receiver may make disbursements, but only those which are necessary to preserve and protect the Collateral. The Co-Receiver shall not execute any new agreements or other long-term contracts. The Co-Receiver shall do nothing that would affect a material change in circumstances of the Collateral.
- iv. Notwithstanding the above, if Plaintiffs and/or Intervenors fail to file a motion within 10 court days after their receipt of notice of the bankruptcy filing, then the Co-Receiver shall immediately turn over the Collateral of the Defendants either to the trustee in bankruptcy, if one has been appointed or, if not, to the debtor-in-possession, and otherwise comply with 11 U.S.C. Section 543.

- v. The Co-Receiver and/or the parties to this action may at any time apply to the Court for any further instructions or orders and for further powers necessary to enable the Co-Receiver to perform its duties properly.

D. Access to Defendants' Property and Records

1. Co-Receiver shall have full access to the Property of the Defendants, including but not limited to all accounting, financial, and correspondence records of the Defendants necessary to defend this litigation, manage the Claims Administration process, and to propose a Final Report.
2. Defendants and West 4th shall turn over all documents relating to any past or present litigation concerning the Collateral to the Co-Receiver, and shall cooperate with the Co-Receiver in its taking over of such litigation.

E. Co-Receiver's Duty of Presentment to the Court

1. When a Claimant objects to the proposed treatment of a Claim and the Co-Receiver does not alter the determination of the Claim as a result of the objection, the Administrator shall ask the Court for a hearing.
2. Any party interested in objecting to the application must file an objection specifying the grounds for the objection within the period the Court may set, and must serve copies on the Co-Receiver and any other persons served with the application within the same period. An objecting party has the burden of showing why the Court should not authorize the Co-Receiver's proposed action.

F. Reporting

1. Prepare and submit periodic reports to the Court detailing the status of the claims administration process, including the number of claims received, reviewed, and resolved.
2. Maintain records of all claims-related activities for review by the Court and interested parties.

G. Culmination of Claims Administration-Final Report

1. Prepare and submit a proposed final report of approved Claims and a proposed restructuring of the debt and equity of the Defendant companies. To the extent any proposed restructured plan also includes proposed non-monetary compensation to West 4th, the Administrator shall negotiate such compensation with West 4th and the Administrator shall propose such non-monetary compensation as part of the plan it submits.
2. Any such final report and proposed plan submitted shall be subject to court approval, after an objection period and final hearing.

H. Compensation

1. The Co-Receiver must file periodic fee applications of no less than on a quarterly basis, which shall be subject to objection by any interested party.
2. The Co-Receiver's appointment shall not be effective until there is a determination of whether the Co-Receiver shall need to submit a bond or if such bond is waived and the Co-Receiver has signed and submitted the required oath under Rule 66.

DATED: _____

MARK T. BAILEY

District Court Judge

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202</p>	<p>DATE FILED December 5, 2024 4:42 PM FILING ID: F35D12FFEC47C CASE NUMBER: 2024CV30763</p>
<p>Plaintiffs: Ross Berman, Jason H. Karp, IMJ I LLC, a Delaware limited liability company, Rachel Farber Revocable Trust, Stephen Farber Revocable Trust, and Red Cloud Capital, LLC, a Connecticut limited liability company,</p> <p><u>and Plaintiff-Intervenors: Trevor Gallup, an individual; and Lynn Honderd, an individual.</u></p> <p>v.</p> <p>Defendants: Bellrock Brands Inc., a British Columbia corporation, BRB DB Holdings, Inc., a Delaware corporation, BRB Mary’s Holdings Corp., a Delaware corporation, Dixie Brands (USA) Inc., a Delaware corporation, Mary’s Operations, LLC, a Colorado limited liability company, Mary’s Pets, LLC, a Colorado limited liability company, Mary’s Nutritionals, LLC, a Colorado limited liability company, DB Finance, Nevada, LLC, a Nevada limited liability company, and DB Oklahoma, LLC, a Colorado limited liability company.</p> <p>v.</p> <p>Intervenors: Lynn Honderd and Trevor Gallup.</p>	<p>▲ ☒ COURT USE ONLY ▲ ☒</p> <hr/> <p>Case Number: 2024CV30763</p> <p>Division: 466</p>
<p>[PROPOSED] ORDER SETTING FORTH DUTIES AND POWERS OF THIRD-PARTY <u>CO-RECEIVER IN PROVIDING-ADMINISTRATING CLAIMS SERVICES</u></p>	

THIS MATTER is before the Court on the Court's November 20, 2024 Order regarding the appointment of a third party co-receiver the (“~~Administrator~~Co-Receiver”) that will manage the

Claims Services, as defined in the Court's November 20, 2024 Order (the "Claims Services Order"):

THE COURT HEREBY ORDERS THE:

I. Appointment of ~~Claim Administrator~~ Co-Receiver:

A. Purpose and Scope

1. A third party ~~Co-Receiver Administrator~~ will be retained to manage ~~solely and exclusively~~ the Claims (as defined below), to manage all aspects of the instant litigation necessary to the receivership, to manage the process that determines the nature and amount of West 4th's compensation, and to manage the plan of reorganization of the Defendant companies. Such engagement will include the review, and resolution process for Claims brought against or on behalf of Receivership Defendants.
2. The Claims to be administered are solely and exclusively:
 - i. Timely filed Claims in connection with this Court's Order Granting Receiver's Motion to Establish Claims Administration Procedure and to Set Claims Bar Date ("Bar Date Order"). Prior to the deadline set forth in the Bar Date Order, 88 Claimants timely filed Proofs of Claim (the "Timely Filed Claims"). The Timely Filed Claims are attached hereto as **Exhibit A**.
 - ii. Claims in connection with Hondred's and Gallup's Motion to Intervene, subject to the limitations set forth in the Stipulation and Scheduling Order, particularly, Claims 1, 2 and 8 in Intervenor's Complaint in Intervention ("Intervenor Claims").

- iii. (the Timely Filed Claims and ~~Intervenor~~ Claims are collectively, the “Claims”).
3. Any action taken by the ~~Administrator~~ Co-Receiver shall also be consistent with all Orders entered in this matter, including but not limited to this Court’s:
 - i. May 13, 2024 Order Granting Receiver’s Motion to Establish Claims Administration Procedures and set Claims Bar Date.
 - ii. November 20, 2024, Order Re Intervenor’s Forthwith Joint Motion to Disqualify Receiver.
 - iii. November 20, 2024, Order re: Forthwith Motion for Immediate Appointment of Receiver-Manager Pursuant of C.R.C.P. 1231 Section 1-154(4) and
 - iv. Any subsequent orders setting forth the roles and responsibilities of the court-appointed ~~or~~ managers in this matter.
4. Accordingly, and in abundance of caution, the ~~Administrator~~ Co-Receiver shall have no authority to manage, operate, or control the day-to-day business, assets, or operations of Receivership Defendants, as those duties remain excluded from this appointment and are currently vested in West 4th as a Receiver-Manager.
5. The Co-Receiver shall have all other authority and powers available to a receiver as recognized under C.R.C.P. 66 and the law.

II. ~~Administrator~~ Co-Receiver shall perform the following duties:

A. Claims Notification and Outreach

1. Develop and implement a notification plan to inform Claimants of the updated claims process, deadlines, and procedures that remain.
2. Disseminate notices via mail, email, and public postings, as appropriate, in accordance with Court-approved protocols.
3. Establish and maintain a website or other communication channels to provide claimants with information and assistance, in connection with Administrator's Co-Receiver's management of Claims.

B. Claims Verification

1. Establish a file with respect to each Claim in accordance with accepted industry standard. To the extent not already done, compile all relevant documents in connection with ~~the~~ each Claim.

C. ~~Claims Adjudication~~ Litigation Management

1. Administrator will defend all litigation or other proceeding involving any Claims asserted by the Intervenor, or other proceeding involving any Claims asserted by any other Claimant, including any objections made to any Claims, and when appropriate, attend any judicial or other proceeding involving any Claim.
2. In the event that a bankruptcy case is filed by the Defendants during the pendency of this Receivership, Plaintiffs must give notice of same to this Court, to all parties, and to the Co-Receiver, within two (2) business days of Plaintiffs' receipt of notice of the bankruptcy filing. Upon receipt of notice that a bankruptcy has been filed, which includes as part of the bankruptcy estate any property which is subject to this Order, the Co-Receiver shall do the following:

- i. The Co-Receiver shall immediately contact the Plaintiffs and Intervenors and determine whether Plaintiffs and/or Intervenors intend to move in the Bankruptcy Court for an order for relief from the Co-Receiver's obligation to turn over the Collateral (11 U.S.C. Section 543).
- ii. If the Plaintiffs and/or Intervenors indicate no intention to make such a motion, then the Co-Receiver shall immediately turn over the property of the applicable Defendant to either the trustee in bankruptcy, if one has been appointed, or if not, then to the debtor-in-possession, and otherwise comply with 11 U.S.C. Section 543.
- iii. If the Plaintiffs and/or Intervenors express an intention to immediately seek relief from the Co-Receiver's obligation to turn over the Collateral, then the Co-Receiver is authorized to remain in possession and preserve the Collateral pending the outcome of such motion (11 U.S.C. Section 543(a)). The Co-Receiver's authority to preserve the Collateral is limited as follows: The Co-Receiver may continue to collect proceeds of the Collateral. The Co-Receiver may make disbursements, but only those which are necessary to preserve and protect the Collateral. The Co-Receiver shall not execute any new agreements or other long-term contracts. The Co-Receiver shall do nothing that would affect a material change in circumstances of the Collateral.
- iv. Notwithstanding the above, if Plaintiffs and/or Intervenors fail to file a motion within 10 court days after their receipt of notice of the bankruptcy

filing, then the Co-Receiver shall immediately turn over the Collateral of the Defendants either to the trustee in bankruptcy, if one has been appointed or, if not, to the debtor-in-possession, and otherwise comply with 11 U.S.C. Section 543.

v. The Co-Receiver and/or the parties to this action may at any time apply to the Court for any further instructions or orders and for further powers necessary to enable the Co-Receiver to perform its duties properly.

D. Access to Defendants' Property and Records

1. Co-Receiver shall have full access to the Property of the Defendants, including but not limited to all accounting, financial, and correspondence records of the Defendants necessary to defend this litigation, manage the Claims Administration process, and to propose a Final Report.
2. Defendants and West 4th shall turn over all documents relating to any past or present litigation concerning the Collateral to the Co-Receiver, and shall cooperate with the Co-Receiver in its taking over of such litigation.

D.E. ~~Administrator's~~ Co-Receiver's Duty of Presentment to the Court

1. When a Claimant objects to the proposed treatment of a Claim and the ~~Administrator~~ Co-Receiver does not alter the determination of the Claim as a result of the objection, the Administrator shall ask the ~~receivership e~~ Court for a hearing.
2. Any party interested in objecting to the application must file an objection specifying the grounds for the objection within the period the Court may set, and must serve copies on the ~~Co-#R~~ Receiver and any other persons served with the application

within the same period. An objecting party has the burden of showing why the ~~receivership court~~ Court should not authorize the ~~Administrator's Co-Receiver's~~ proposed action.

E.F. **Reporting**

1. Prepare and submit periodic reports to the Court detailing the status of the claims administration process, including the number of claims received, reviewed, and resolved.
2. Maintain records of all claims-related activities for review by the Court and interested parties.

F.G. **Culmination of Claims Administration-Final Report**

1. Prepare and submit a proposed final report of approved Claims and a proposed restructuring of the debt and equity of the Defendant companies. To the extent any proposed restructured plan also includes proposed non-monetary compensation to West 4th, the Administrator shall negotiate such compensation with West 4th and the Administrator shall propose such non-monetary compensation as part of the plan it submits.
2. Any such final report and proposed plan submitted shall be subject to court approval, after an objection period and final hearing.

G.H. **Compensation**

1. The ~~Administrator Co-Receiver~~ must file periodic fee applications of no less than on a quarterly basis, which shall be subject to objection by any interested party.

2. The ~~Administrator's Co-Receiver's~~ appointment shall not be effective until there is a determination of whether the ~~Administrator Co-Receiver~~ shall need to submit a bond or if such bond is waived and the ~~Administrator Co-Receiver~~ has signed and submitted the required oath under Rule 66.

DATED: _____

MARK T. BAILEY

District Court Judge