

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

**IN RE:**

**CHRIS PETTIT & ASSOCIATES, P.C.**

**CHRISTOPHER JOHN PETTIT**

**Jointly Administered Debtors.<sup>1</sup>**

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**CASE NO. 22-50591-CAG**

**CASE NO. 22-50592-CAG**

**CHAPTER 11 PROCEEDINGS  
(Jointly Administered Under  
Case No. 22-50591-CAG)**

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**DISCLOSURE STATEMENT FOR  
CHAPTER 11 TRUSTEE'S FIRST AMENDED LIQUIDATING PLAN  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

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**COUNSEL FOR ERIC TERRY,  
CHAPTER 11 TRUSTEE**

Dated: November 15, 2024

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's Social Security Number or Federal Tax Identification Number, as applicable, are: Chris Pettit & Associates, P.C. (1267), and Christopher John Pettit (9429).

**Eric B. Terry**  
November 15, 2024

Re: Recommendation to Accept Chapter 11 Trustee's Proposed Liquidating Plan

Dear Sir or Madam:

I have served as your Trustee in the bankruptcy cases for Christopher John Pettit and Chris Pettit and Associates, P.C. for more than two years. These bankruptcy cases and my service as trustee have been among the most difficult experiences of my professional career. The betrayal, pain, and loss most of you experienced because of Pettit's fraud has focused and sharpened my efforts to ensure the best possible outcomes for you in these cases. Today, I am asking you to take the next step toward maximizing recoveries in these bankruptcy cases.

With this letter, I am providing you with a copy of my proposed liquidation plan for the Pettit and CP&A bankruptcy estates. The many pages that follow will provide you with information about the plan, and I encourage you to read it.

I am proud of the work I have done for you in my role as Chapter 11 Trustee, from liquidating Pettit's real estate and personal property to monetizing the bankruptcy estates' rights. I have almost completely addressed and resolved every secured claim asserted against the bankruptcy estates while developing and pursuing the estates' claims and causes of action that I hope will provide meaningful recoveries to creditors.

The plan is designed to reduce bankruptcy-related costs while preserving the remaining assets of the bankruptcy estates. At this point, the assets are primarily lawsuits against the financial institutions and entities with which Pettit and CP&A did business prior to filing bankruptcy. The plan will create two trusts to succeed the two bankruptcy estates and continue pursuing lawsuits. I will serve as Trustee of both trusts, to ensure efficiency and continuity that will minimize expenses and maximize recoveries.

I am confident that the plan I proposed is the best way forward for you to receive the maximum recovery possible.

I urge you to fill out the enclosed ballot to accept the plan and return it to the balloting agent to register your support for the plan and to ensure it is confirmed with minimum expense. Please reach out to Wick Phillips Gould & Martin, LLP, my counsel in these cases, at 214.420.4627 or at [pettittrustee@wickphillips.com](mailto:pettittrustee@wickphillips.com) if you have any questions about the plan, the disclosure statement, or the ballot.

Best Regards,

Eric B. Terry

**EXHIBITS TO DISCLOSURE STATEMENT**

- EXHIBIT A. Chapter 11 Trustee's Liquidating Plan
- EXHIBIT B. Liquidation Analysis
- EXHIBIT C. Summary of Scheduled and Filed Claims against the Estate
- EXHIBIT D. Retained Causes of Action

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**DISCLOSURE STATEMENT DATED NOVEMBER 15, 2024**

THE PLAN IS PROPOSED BY ERIC TERRY, THE CHAPTER 11 TRUSTEE FOR CHRIS PETTIT & ASSOCIATES, P.C. AND CHRISTOPHER JOHN PETTIT. MR. TERRY STRONGLY URGES YOU TO VOTE TO ACCEPT THE PLAN.

This Disclosure Statement (this “Disclosure Statement”) solicits acceptance of the Chapter 11 Trustee’s Liquidating Plan, dated September 20, 2024 (the “Plan”) for Chris Pettit & Associates, P.C. (“CP&A”) and Christopher John Pettit (“Pettit” and with CP&A, the “Debtors”), as debtors in the above-captioned chapter 11 cases (the “Chapter 11 Cases”). The Plan is proposed by Eric Terry, Chapter 11 Trustee (“Chapter 11 Trustee”) of the CP&A chapter 11 bankruptcy estate (the “CP&A Estate”) and the Pettit chapter 11 bankruptcy estate (the “Pettit Estate” and with the CP&A Estate, the “Estates”).

The purpose of this Disclosure Statement is to enable holders of Claims<sup>2</sup> or Equity Interests impaired under the Plan and who may receive a distribution under the Plan to make an informed decision in exercising their right to vote to accept or reject the Plan.

Pettit engaged in an extensive and long-lasting fraud scheme at the expense of his former clients, investors, and other unfortunate parties with whom he and CP&A did business. Pettit generally caused CP&A to operate at a complete loss.

The Plan, which is attached hereto as **Exhibit A**, provides a recovery to Allowed General Unsecured Claims principally through the pursuit of claims and causes of action that belong to the Estates and certain settlements to resolve disputes related to administration of the Estates.

1. The Chapter 11 Trustee has initiated litigation to assert causes of action against individuals and entities who received improper benefits and transfers from the Debtors.
2. The Chapter 11 Trustee has initiated litigation against Wells Fargo Bank, Frost Bank, Bank of San Antonio, and certain affiliates.
3. Many former clients of CP&A have also asserted their own direct litigation against financial institutions and title companies. The Plan provides that former CP&A clients may opt-in to an information and economic interest exchange providing former CP&A clients the benefits of the Chapter 11 Trustee’s and his professionals’ investigation regarding the Debtors’ transactions with certain financial institutions.
4. Mr. Pettit’s victims may also have the opportunity to receive restitution as “crime victims” within the meaning of the Crime Victims’ Rights Act (the “CVRA”), 18 U.S.C. § 3771 in *United States v. Pettit*, Case No. 22-CR-00653(1)-OLG.

The Plan provides that the remaining assets of the Estates will be placed in the Liquidating Trusts for the benefit of Creditors. Vesting the Estates’ property in the Liquidating Trusts will reduce administrative costs related to being in a pending chapter 11 bankruptcy case.

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<sup>2</sup> Capitalized terms not otherwise defined herein are used as defined in the Plan.

## Chapter 11 Trustee's Results to Date

Since his appointment, the Chapter 11 Trustee successfully recovered and monetized significant assets to fund the Estates. The Chapter 11 Trustee's most significant achievements in the Cases to date include:

- Sales of real property Pettit owned totaling **more than \$19 million**, which facilitated payment in full of all but one secured creditor in the case;
- The Sin Reposo Settlement (ECF Nos. 370 & 452), by which the Chapter 11 Trustee secured the return of seven real properties into the Estates which he was then able to liquidate for **more than \$4 million**;
- The Debtor Settlement (ECF Nos. 661 & 703), by which the Chapter 11 Trustee obtained disclaimers of Pettit's exemptions, including as to his personal residence, which the Trustee was able to sell for **over \$1.1 million**;
- The Source Capital Settlement (ECF Nos. 1207 & 1248), by which the Chapter 11 Trustee resolved and satisfied \$3.125 million of secured claims against the Estates and obtained **more than \$275,000** to pay Estate costs;
- The Wells Fargo Settlement (ECF Nos. 1245 & 1311), by which the Chapter 11 Trustee monetized fraudulent transfer and expense reimbursement claims against Wells Fargo to generate **\$575,000 in cash** for the Estates;
- The Dykema Settlement (ECF Nos. 1232 & 1335), by which the Chapter 11 Trustee obtained a net benefit of **more than \$1 million** to the Estates via cash and fee waivers;
- The Counsel Financial Settlement (ECF Nos. 1391 & 1424), by which the Chapter 11 Trustee obtained a \$2.65 million reduction in secured claims against the Estates of secured claims against the Estates and obtained **more than \$250,000** cash from the proceeds of the sale of the Seacomber property;
- The Jet Linx Settlement (ECF Nos. 1427 & 1447) by which the Chapter 11 Trustee monetized preference claims against Jet Linx for **\$50,000 cash**;
- The Tiffany Settlement (ECF Nos. 1466 & 1484) by which the Chapter 11 Trustee monetized preference claims against Tiffany and Company for nearly **\$20,000 cash**;
- The Paul Black Settlement (ECF Nos. 1497 & 1512) by which the Chapter 11 Trustee monetized claims against Paul Black and associated entities for **\$250,000 cash**;
- The Fournier Settlement (ECF No. 1515 & future order) by which the Chapter 11 Trustee monetized fraudulent transfer claims against Fournier for **\$8,000 cash**;
- The Salvador Ortiz Settlement (ECF Nos. 1517 & future order) by which the Chapter 11 Trustee monetized fraudulent transfer claims against Ortiz and associated entities for **\$1,500,000 cash**;
- The Mazda Settlement (ECF No. 1522 & future order) by which the Chapter 11 Trustee monetized fraudulent transfer claims against Mazda for **\$6,500 cash**;
- The Chapter 11 Trustee believes the non-financial institution litigation he has already initiated is likely to yield additional cash value that the Trustee estimates

will exceed **\$1 million** to the Estates through settlements to be proposed in the coming months; and

- The Chapter 11 Trustee continues to pursue litigation against the financial institutions he believes are jointly liable for Pettit’s fraud, both directly in his litigation against Wells Fargo, Frost Bank, and Bank of San Antonio, and through interests he has obtained for the Estates in certain creditors’ direct claims against financial institutions.

Collectively, these recoveries, settlements, and other efforts satisfied substantially all the secured claims against the Estates’ assets required to be paid before proceeds are available for distributions to unsecured creditors, including Pettit’s former client victims. Recoveries have exceeded the professional fees and other administrative costs the Estates have incurred to date by nearly \$3 million. The Estates are now well-capitalized and well-positioned to continue pursuing litigation recoveries and additional settlements that will ensure these Estates make meaningful distributions to creditors.

A summary of the classification and treatment of Claims and Equity Interests under the Plan is as follows:<sup>3</sup>

Class	Description	Entitled to Vote	Estimated Claims	Approx. Recovery	Treatment
<b>Class 1.A</b>	Counsel Financial Secured Claim	Yes	\$2,250,000	Unknown	At the Chapter 11 Trustee’s option, receive one of the following treatments: (a) liquidation of Collateral and distribution of proceeds, (b) return of the Collateral; or (c) other treatment in accordance with section 1124 of the Bankruptcy Code, in all cases subject to surcharge.
<b>Class 1.B</b>	Secured Tax Claims	No (deemed to accept)	\$48,555.58	100%	Payment in full in cash on (a) the Effective Date or (b) immediately prior to the payment due date.
<b>Class 1.C</b>	Other Secured Claims	No (deemed to accept)	\$0	100%	At the Chapter 11 Trustee’s option, receive one of the following treatments: (a) liquidation of Collateral and distribution of proceeds, (b) return of the Collateral; or (c) other treatment in accordance with section 1124 of the Bankruptcy Code, in all cases subject to surcharge.

<sup>3</sup> The estimated claim amounts set forth herein are based on the Chapter 11 Trustee’s best estimates, as well as filed proofs of claim. The Plan contemplates empowering the Liquidating Trusts to object to claims asserted against the Estates. The estimates stated in this Disclosure Statement, including all attachments hereto, are (1) not final, (2) subject to revision without notice, and (3) not binding on the Chapter 11 Trustee or the Liquidating Trustees as to the amount or allowability of any Claims or Interests.



Class	Description	Entitled to Vote	Estimated Claims	Approx. Recovery	Treatment
<b>Class 2.A</b>	General Unsecured Claims Against CP&A	Yes	\$273,447,368.30	Unknown	Class 2A Interest in the Liquidating CP&A Trust; receive Pro Rata Cash distributions from the assets of the Liquidating CP&A Trust contributed by the CP&A Estate.
<b>Class 2.B</b>	General Unsecured Claims Against Pettit	Yes	\$239,068,529.43	Unknown	Class 2B Interest in the Liquidating Pettit Trust; receive Pro Rata Cash distributions from the assets of the Liquidating Pettit Trust contributed by the Pettit Estate.
<b>Class 3.A</b>	Subordinated Claims Against CP&A	Yes	\$13,298,560.53	0%	Class 3A Interest in the Liquidating CP&A Trust; receive Pro Rata Cash distributions from the assets of the Liquidating CP&A Trust contributed by the CP&A Estate, after payment in full with interest of all Class 2A Interests.
<b>Class 3.B</b>	Subordinated Claims Against Pettit	Yes	\$42,325,659.20	0%	Class 3B Interest in the Liquidating Pettit Trust; receive Pro Rata Cash distributions from the assets of the Liquidating Pettit Trust contributed by the Pettit Estate, after payment in full with interest of all Class 2B Interests.
<b>Class 4</b>	Equity Interests in CP&A	Yes	N/A	0%	Canceled

The Chapter 11 Trustee believes that the Plan is in the best interests of holders of Claims and Equity Interests. Accordingly, holders of Claims and Equity Interests who are entitled to vote are urged to vote in favor of the Plan. **To be counted, your ballot must be fully completed, executed and actually received by Wick Phillips Gould & Martin, LLP c/o Meghan D. Young (the “Tabulation Agent”) at the following physical address or via electronic mail no later than 5:00 p.m. (prevailing Central Time) on January 6, 2025 (the “Voting Deadline):**

**Wick Phillips Gould & Martin, LLP  
 Attn: Meghan D. Young, Tabulation Agent  
 3131 McKinney Ave., Suite 500  
 Dallas, Texas 75204  
 Email: meghan.young@wickphillips.com**

Holders of Claims and Equity Interests who are entitled to vote should carefully read this Disclosure Statement and the Plan in their entirety prior to voting on the Plan. Each holder of a Claim or Equity Interest should consult its individual attorney, accountant, and/or financial advisor as to the effect of the Plan on such holder.

Pursuant to section 1125(b) of the Bankruptcy Code, a hearing to approve this Disclosure Statement on a final basis (the “Disclosure Statement Hearing”) will be held before the Honorable Craig A. Gargotta, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the “Bankruptcy Court”), 615 East Houston Street, San Antonio, Texas 78205 in Courtroom Number 3. At the Disclosure Statement Hearing,

the Court may set a date for a hearing a hearing to consider confirmation of the Plan (the “Confirmation Hearing”).

Pursuant to section 1128(a) of the Bankruptcy Code, a hearing to consider confirmation of the Plan (the “Confirmation Hearing”) will commence on January 15, 2025 at 9:00 a.m. Central Time, before the Honorable Craig A. Gargotta, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the “Bankruptcy Court”), 615 East Houston Street, San Antonio, Texas 78205 in Courtroom Number 3. At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the requirements of the Bankruptcy Code.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a chapter 11 plan. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed no later than January 6, 2025 (the “Confirmation Objection Deadline”) and simultaneously served on the following parties:

**COUNSEL TO THE CHAPTER 11 TRUSTEE**

Jason M. Rudd  
Scott D. Lawrence  
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Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. If an objection to confirmation is not timely filed and served, the Bankruptcy Court may not consider it.

For the convenience of Claim and Equity Interest holders, this Disclosure Statement summarizes the terms of the Plan. However, the Plan and its Exhibits and the Plan Supplement are the operative documents and govern.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN AS A DESCRIPTION OF THE PLAN IN THE CHAPTER 11 CASES, AND NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS, THE CHAPTER 11 TRUSTEE, OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE LEGAL EFFECT OF THE PLAN ON

HOLDERS OF CLAIMS OR EQUITY INTERESTS. CERTAIN INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS, BY ITS NATURE, FORWARD LOOKING, AND CONTAINS ESTIMATES, FORECASTS AND ASSUMPTIONS WHICH MAY PROVE TO BE MATERIALLY DIFFERENT FROM ACTUAL RESULTS. THIS DISCLOSURE STATEMENT IS NOT ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED. NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THE PLAN SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN SINCE THE DATE OF THIS DISCLOSURE STATEMENT OR THE DATE ON WHICH THE MATERIALS RELIED UPON IN PREPARATION OF THIS DISCLOSURE STATEMENT WERE COMPILED.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT OR INDEPENDENT VERIFICATION. THE INFORMATION CONTAINED HEREIN AND THE RECORDS KEPT BY THE DEBTORS ARE NOT WARRANTED OR REPRESENTED TO BE WITHOUT INACCURACY.

THE SECURITIES AND EXCHANGE COMMISSION HAS NEITHER APPROVED NOR DISAPPROVED THIS DISCLOSURE STATEMENT, NOR HAS IT PASSED UPON THE ADEQUACY OR ACCURACY OF THE STATEMENTS CONTAINED HEREIN.

## **I.GENERAL INFORMATION**

### **A. PURPOSES OF THIS DISCLOSURE STATEMENT**

This Disclosure Statement has been prepared by the Chapter 11 Trustee to provide information that the Bankruptcy Court has determined to be material and necessary to enable holders of Claims and Equity Interests, who are entitled to vote on the Plan, to make an informed judgment about the Plan. Confirmation of a plan pursuant to chapter 11 of the Bankruptcy Code depends, in part, upon the receipt of a sufficient number of votes in favor of the Plan. However, holders of Claims and Equity Interests whose claims are unimpaired are deemed to have conclusively accepted the Plan and are not entitled to vote thereon. As set forth in this Disclosure Statement, holders of Claims in Classes 1.B and 1.C are unimpaired, conclusively deemed to have accepted the Plan and not entitled to vote to accept or reject the Plan. The holders of claims in Classes 1.A, 2.A, 2.B, 3.A, 3.B, and 4 are impaired and entitled to vote to except or reject the Plan.

At the Disclosure Statement Hearing, the Bankruptcy Court will consider approving this Disclosure Statement as containing “adequate information.” “Adequate information” is information of a kind, and in sufficient detail, to enable a hypothetical investor typical of the holders of Claims and Equity Interests in the Chapter 11 Cases that would enable such hypothetical investor to make an informed judgment about the Plan. Once the Court approves this Disclosure Statement as containing adequate information.

## **B. GENERAL INFORMATION CONCERNING CHAPTER 11**

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code, pursuant to which a debtor or trustee may reorganize or liquidate the debtor's business for the benefit of the debtor, its creditors, and equity interest holders. Chapter 11 liquidations are more flexible than chapter 7 liquidations, and allow trustees and debtors to implement compromises, claims classifications, and other features that improve upon the expected results from a chapter 7 liquidation.

The commencement of a chapter 11 case creates an estate, comprised of all of a debtor's legal and equitable interests in property as of the date the petition is filed, wherever located and by whomever held. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession" unless the bankruptcy court orders the appointment of a trustee. Section 1106 provides that a trustee shall, among other things, investigate the acts, conduct, assets, liabilities and financial condition of the debtor, the operation of the debtor's business and the desirability of the continuance of such business, and any other matter relevant to the case or to the formulation of a plan.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362(a) of the Bankruptcy Code provides for, among other things, an automatic stay of all attempts to collect prepetition debts against the debtor or to otherwise interfere with the debtor's property or business. Except as otherwise ordered by the Bankruptcy Court, the automatic stay remains in full force and effect until the time a plan of reorganization is confirmed.

The formulation of a plan of reorganization or liquidation is the principal purpose of a chapter 11 case. A plan sets forth the means for satisfying the claims against and equity interests in the debtor.

## **C. GENERAL INFORMATION CONCERNING TREATMENT OF CLAIMS AND INTERESTS**

A chapter 11 plan may provide for anything from a complex restructuring of a debtor's business and its related obligations to a liquidation of a debtor's assets. After a chapter 11 plan has been filed, certain holders of claims against or equity interests in a debtor are permitted to vote to accept or reject the plan.

Section 1123 of the Bankruptcy Code provides that a plan of reorganization must classify the claims of a debtor's creditors and equity interest holders. In compliance therewith, the Plan divides claims and equity interests into classes and sets forth the treatment for each class. In accordance with section 1123(a) of the Bankruptcy Code, Administrative Expense Claims have not been classified in the Plan. A plan is also required, under section 1122 of the Bankruptcy Code, to classify claims and equity interests into classes that contain claims and equity interests that are substantially similar to the other claims and equity interests in such class. The Chapter 11 Trustee

believes that the Plan has classified all Claims and Equity Interests in compliance with the provisions of Bankruptcy Code section 1122.

Pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, Claims against and Equity Interests in the Debtors are classified as set forth previously at the beginning of this Disclosure Statement.

#### **D. CLASSES IMPAIRED UNDER THE PLAN**

Only classes of impaired claims or equity interests may vote to accept or reject a plan. A class is “impaired” if the legal, equitable, or contractual rights relating to the claims or equity interests in that class are modified by the plan. Modification for purposes of determining impairment, however, does not include curing defaults or reinstating maturity. Classes of claims or equity interests that are not “impaired” under a plan of reorganization, and each member of such class, are conclusively deemed to have accepted the plan and thus are not entitled to vote. Similarly, classes of claims or equity interests that will neither receive nor retain any property under a plan are deemed to not have accepted the plan and are thus not entitled to vote. Accordingly, acceptances of a plan will only be solicited from holders of claims and/or equity interests in impaired classes that may receive distributions under the plan.

The holders of Claims in Class Classes 1.B and 1.C are unimpaired and are not entitled to vote to accept or reject the Plan. The Chapter 11 Trustee is seeking the votes of holders of claims classified as Classes 1.A – Counsel Financial Secured Claim, 2.A – General Unsecured Claims Against CP&A, 2.B – General Unsecured Claims Against Pettit, 3.A –Subordinated Claims Against CP&A, 3.B – Subordinated Claims Against Pettit, and Class 4 – Interests in CP&A.

#### **E. VOTING**

Holders of Claims in Classes 1.A, 2.A, 2.B, 3.A, and 3.B are impaired under the Plan and are entitled to vote to accept or reject the Plan. A Ballot casting a vote on the Plan may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such Ballot was not submitted or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

All proofs of claim by creditors of the Debtors (not including Governmental Units), were required to be filed with the Clerk of the Bankruptcy Court by October 25, 2022 and proofs of claim by Governmental Units were required to be filed with the Clerk of the Bankruptcy Court by November 28, 2022 (the last date to file a claim is referred to as the “Bar Date”). If a claimant already filed a proof of claim with the Bankruptcy Court, or if the claim in question was scheduled by the Debtors as not being contingent, unliquidated, or disputed, a proof of claim need not have been filed. The schedules for the Debtors were filed with the Bankruptcy Court on various dates and underwent numerous revisions. The schedules are available for inspection on the Bankruptcy Court’s website at [www.txwb.uscourts.gov](http://www.txwb.uscourts.gov) or upon written request to the Chapter 11 Trustee’s counsel. Any references in the Plan or this Disclosure Statement to any Claims or Equity Interests shall not constitute an admission of the allowability, existence, nature, extent, or enforceability thereof.

## F. CONFIRMATION

There are two methods by which a plan may be confirmed: (i) the “acceptance” method, pursuant to which all impaired classes of claims and interests have voted in the requisite amounts to accept the plan and the plan otherwise complies with section 1129(a) of the Bankruptcy Code; and (ii) the “cram-down” method under section 1129(b) of the Bankruptcy Code, which is available even if classes of claims vote against the Plan.

### 1. Acceptance of the Plan

A plan is accepted by an impaired class of claims if the holders of at least two-thirds ( $\frac{2}{3}$ ) in amount and more than one-half ( $\frac{1}{2}$ ) in number of the allowed claims in such class that actually vote, vote to accept the plan. A plan is accepted by an impaired class of equity interests if holders of at least two-thirds ( $\frac{2}{3}$ ) in amount of allowed equity interests in such class that actually vote, vote to accept the plan.

In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan be accepted by each holder of a claim or equity interest in an impaired class entitled to vote or that the plan otherwise be found by the bankruptcy court to be in the best interests of each holder of a claim or equity interest in such class (*see* discussion of “Best Interests Test” below).

### 2. Confirmation without Acceptance by all Impaired Classes

Under section 1129 of the Bankruptcy Code, the Chapter 11 Trustee has the right to seek confirmation of the Plan notwithstanding the rejection of the Plan. A plan may be confirmed notwithstanding its rejection by one or more classes of claims or equity interests if, in addition to satisfying the applicable requirements of section 1129(a) of the Bankruptcy Code, the plan (1) is “fair and equitable” with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan and (2) does not “discriminate unfairly.”

A plan is “fair and equitable” under the Bankruptcy Code with respect to a dissenting class of secured claims if either (a)(i) the holders of such secured claims retain the liens securing such claims and (ii) each holder of a claim in such class receives deferred cash payments equal to the present value of such claim; (b) the property subject to the holders’ liens is sold, subject to the creditors’ right to credit bid, with the creditors’ liens to attach to the proceeds of sale; or (c) the holders receive the “indubitable equivalent” of their claims.

A plan is “fair and equitable” under the Bankruptcy Code with respect to a dissenting class of unsecured claims if, with respect to such dissenting class either (a) the plan provides that each holder of a claim of such class receive or retain property of a value equal to the allowed amount of such claim, or (b) no holders of junior claims or equity interests receive or retain any property under the plan on account of such junior claims or interests.

A plan is “fair and equitable” under the Bankruptcy Code with respect to a dissenting class of equity interests if, with respect to such dissenting class, either (a) each holder of an interest of

such class shall receive or retain on account of such interest property of a value equal to the greater of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest, or (b) the holder of any interest that is junior to the interest of such class shall not receive or retain any property on account of such junior interest.

This fair and equitable standard, also known as the “absolute priority rule,” requires, among other things, that unless a dissenting unsecured class of claims or equity interests receives full compensation for its allowed claims or allowed interests, no holder of claims or interests in any junior class may receive or retain any property under the plan on account of such claims or interests. The Chapter 11 Trustee believes that if a non-consensual confirmation is necessary, the requirements for non-consensual confirmation will be met and the Plan will be confirmed despite its rejection by any impaired dissenting Class of Equity Interests.

The requirement that a plan not “discriminate unfairly” means, among other things, that a dissenting class must be treated substantially equally with respect to other classes of equal rank. The Chapter 11 Trustee believes that the Plan meets this requirement with respect to any class of Equity Interests that might reject the Plan, because all Classes of Equity Interests are being treated the same.

### **3. Best Interests Test**

Notwithstanding acceptance of the Plan by each impaired Class, for the Plan to be confirmed the Bankruptcy Court must determine that the Plan is in the best interests of each holder of a Claim or Equity Interest in an impaired Class who has not voted to accept the Plan. The best interests test requires the Bankruptcy Court to find that the Plan provides for each holder of a Claim or Equity Interest in such Class to receive or retain on account of such Claim or Equity Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount each such holder would receive if the Estates were liquidated under chapter 7 of the Bankruptcy Code on such date.

The Plan effectuates the Chapter 11 Trustee’s negotiated settlement regarding the Counsel Financial Secured Claim that includes a significant reduction in the amount of the claim. The Counsel Financial Secured Claim, if allowed in full as originally asserted and as a secured claim, could reduce or eliminate recoveries for general unsecured creditors. In addition, the Plan preserves the current, and provides the opportunity for additional, agreements with CP&A’s former clients advancing direct litigation against third parties. The Plan permits the Estates’ other assets to be liquidated for the primary benefit of the general unsecured creditors. Finally, the Plan’s transition of the Chapter 11 Cases to post-confirmation administration and implementation of the Liquidating Trusts will create significant administrative savings. Confirmation of the Plan reduces the motion practice and related costs of operating the Chapter 11 Cases, while avoiding the material costs and uncertainty of converting the cases to chapter 7 cases, including the extensive reporting and transition costs conversion requires. In sum, any chapter 7 case would produce a lower recovery, if any, to unsecured creditors.

## II. BACKGROUND AND EVENTS LEADING UP TO CHAPTER 11

### A. THE DEBTOR'S FRAUDULENT SCHEME AND BANKRUPTCY FILING

Much of the following information is drawn from the now-unsealed grand jury indictment of Debtor Christopher John Pettit filed as document number 3 on December 7, 2022, in the federal criminal case against Pettit in the San Antonio Division of the United States District Court for the Western District of Texas numbered 22-CR-00653-OLG (the "Criminal Case"). Pettit has now been convicted and sentenced to 50 years in prison for his crimes. The Chapter 11 Trustee relies on the indictment as a reasonably accurate description of Pettit's misdeeds. The Chapter 11 Trustee has added or excluded information as appropriate for this Disclosure Statement.

Pettit was an attorney at law, licensed to practice law by the state of Texas, and did business as Chris Pettit and Associates, P.C., primarily in and around San Antonio, Texas. The Debtors offered clients various legal services, including probate representations, estate planning, trust formations and management, tax advice, and facilitation of Section 1031 tax-advantaged transactions. The Debtors also offered clients investment opportunities.

Pettit would offer clients services, including the formation of living trusts, irrevocable trusts, and wills, among other estate planning services. Pettit would offer to accept funds and other property from clients to hold in these trusts and assured clients that the funds would be invested for the trusts. Pettit then regularly and systematically disregarded clients' instructions for the management of those trusts and instead misappropriated the funds for his own personal use and not for the benefit of his clients or the beneficiaries of the trusts.

Pettit advised clients that he would invest their money in bonds that he promised would generate large returns, usually in excess of returns available on the open market. In fact, these bonds usually did not exist and Pettit generally misappropriated his clients' funds for his own personal use.

Pettit offered to serve as a 1031 exchange intermediary in transactions by which his clients would sell properties and then provide the proceeds to Pettit as part of putatively tax-advantaged real estate transactions. Once Pettit had the money, he generally misappropriated his clients' funds for his own personal use.

As a result of these various criminally fraudulent activities, Pettit and CP&A came under pressure from unpaid clients, creditors, and ultimately law enforcement.

On May 24, 2022, Pettit filed a Motion for Acceptance of Resignation as Attorney and Counselor at Law of Christopher J. Pettit, asking to terminate his law license. On June 1, 2022, Pettit and CP&A filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

On February 26, 2024, the District Court presiding over the Criminal Case entered judgment (the "Criminal Judgment") against Pettit for three counts of wire fraud and three counts of engaging in monetary transactions in property derived from specified unlawful activity. The Criminal Judgment sentenced Pettit to 50 years in federal prison for his crimes.



### **III. THE TRUSTEE'S APPOINTMENT AND POST-PETITION PROGRESS**

On June 3, 2022, two days after the Petition Date, Sharon Brimhall, Executrix of the Estate of Harry Sims, filed a Motion for Appointment of a Chapter 11 Trustee (ECF No. 11), which the Court granted on June 13, 2022 (ECF No. 39). The Court appointed Eric Terry as Chapter 11 Trustee for the Debtors on June 22, 2022 (ECF No. 83). An official committee of unsecured creditors was appointed on July 6, 2022. (ECF No. 148).

#### **A. Taking Possession of Property of the Estate**

##### **1. Trustee's Efforts to Secure Estate Property, Contempt Proceedings, and initial Pettit Settlement**

Upon appointment, the Chapter 11 Trustee immediately commenced efforts to remove Pettit from control of property of the Estates. The Chapter 11 Trustee and his team worked to secure property and began to liquidate assets of the Estates, consulting with key stakeholders and brokers and professionals familiar with the relevant properties and markets, including extensive real and personal property and causes of action with potential recoveries. The Chapter 11 Trustee has now liquidated substantially all of the real and personal property that belonged to the Debtors, and continues to pursue and liquidate recoveries on causes of action that belong to the Estates. Ultimately, the Chapter 11 Trustee was able to obtain more than \$19 million from the sale of real property recovered from Pettit, and another approximately \$500,000 from the sale of personal property, including cars, much of which was paid to secured creditors. The Chapter 11 Trustee has also realized in excess of \$1 million in proceeds from settlements with various stakeholders.

Mr. Pettit generally did not cooperate with the Chapter 11 Trustee. The Chapter 11 Trustee was forced to seek for Pettit to be held in contempt for, among other things, engaging in unauthorized post-petition transactions, dissipating the Estates' assets, conspiring to defraud the Estates. Pettit was placed in the custody of the U.S. Marshalls pending his cooperation with the turnover of the Estates' property.

Ultimately, the Chapter 11 Trustee was able to negotiate a settlement with Pettit (ECF Nos. 661 & 703), by which Pettit waived substantially all of his exemptions, provided the Chapter 11 Trustee with information useful for accessing Estates' assets, and turned over various property to the Chapter 11 Trustee, in exchange for concessions related to property for Pettit's minor child and the use of a vehicle during the pendency of the Cases.

The Chapter 11 Trustee now presents the Plan. The Plan contemplates continuing to pursue recoveries for creditors utilizing the professionals the Chapter 11 Trustee retained throughout the Cases to ensure efficient transition out of Chapter 11.

#### **B. SETTING UP AND MAXIMIZING RECOVERIES FOR CREDITORS**

Pettit's fraud scheme resulted in tremendous waste and misappropriation of funds, but the Chapter 11 Trustee left no stone unturned in pursuit of recoveries for creditors. The Chapter 11

Trustee assembled a team of professionals to take possession of and sell assets and to investigate and pursue causes of action that offered the best path forward for creditors to recover value.

### **1. Employment of Estate Professionals**

The Chapter 11 Trustee engaged the following professionals in the Chapter 11 Cases:

- Wick Phillips Gould & Martin, LLP (“Wick Phillips”) and, originally, Dykema Gossett, PLLC (“Dykema”);
- FORVIS, LLP (“FORVIS”) as forensic accountants and tax accountants;
- Compass RE Texas, LLC (“Compass”) as Texas real estate brokers;
- Mel T. Davis as Auctioneer (“Davis”) as auctioneer;
- Golden Oak Development LLC (“Golden Oak”) as Florida real estate brokers;
- Davis & Santos, PLLC (“D&S”) to represent the Estates in litigation with certain insurers and title companies and with respect to the transition from Dykema to Wick Phillips, including management of storage and return of former client files;
- Jackson Walker, LLP (“JW”) to advise the Estates regarding criminal matters related to Pettit; and
- Chamberlain, Hrdlicka, White, Williams, and Aughtry, PC (“Chamberlain”) to advise the Estates regarding tax matters and retirement plan matters.

The Bankruptcy Court entered Orders approving the employment of Dykema on July 18, 2022 (ECF No. 188), FORVIS on August 9, 2022 (ECF No. 302), Compass on August 29, 2022 (ECF No. 350), Davis on September 20, 2022 (ECF No. 441), Golden Oak on September 22, 2022 (ECF No. 451), and Chamberlain on August 24, 2023 (ECF No. 1034). The Court approved the withdrawal of Dykema on April 10, 2023 (ECF No. 911) and the retention of Wick Phillips on May 31, 2023 (ECF No. 956).

The Chapter 11 Trustee and his professionals have liquidated substantially all of the tangible assets of the Estates and realized millions of dollars of value from these activities. The Chapter 11 Trustee has also obtained efficient recoveries through settlements that enabled the Estates to take possession of and then sell real properties acquired by the Debtors prior to the Petition Date. The professionals have also conducted investigations and built models and analyses to document damages that creditors suffered as a result of Pettit’s misappropriation of funds. The Estates thus have a strong foundation from which to pursue maximized recoveries for creditors through causes of action that the Chapter 11 Trustee has commenced. The Plan contemplates that Wick Phillips and FORVIS will continue to support and pursue causes of action that may generate recoveries for creditors in these Cases. The Plan further contemplates that D&S will continue to assist with these efforts and the ongoing management of former client files, JW with matters related

to the Criminal Case, and Chamberlain with tax and retirement plan administration matters, all on an as-needed basis.

## **2. Employment of Special Litigation Counsel**

The Chapter 11 Trustee also engaged the following special counsel in connection with certain specific matters:

- Luttrell + Carmody Law Group (“L+C”) and Villa & White LLP (“V&W”) to pursue certain claims against Wells Fargo, N.A. and its affiliates;
- Mastrogiovanni, PLLC (“Mastrogiovanni”) to investigate potential claims against Dykema;
- Langley & Banack (“L&B”) to investigate potential claims against Dr. Salvador Ortiz and Paul Black;
- Guerra LLP (“Guerra”) and Wick Phillips to pursue certain claims against other financial institutions.

The Bankruptcy Court entered Orders approving the employment of L+C and V&W on December 2, 2022 (ECF No. 678), D&S on March 14, 2023 (ECF No. 877), JW on February 16, 2023 (ECF No. 839), Mastrogiovanni on May 30, 2023 (ECF No. 954), L&B on August 18, 2023 (ECF No. 1028), and Guerra on February 2, 2024 (ECF No. 1168).

Mastrogiovanni has been granted a final fee application and its work is complete. The Chapter 11 Trustee otherwise intends to continue to investigate and, as appropriate, pursue recoveries with the assistance of these professionals, all of whom are compensated for their work on these matters solely via a percentage of the recoveries they are able to obtain for the benefit of creditors.

### **a. Financial Institution Litigation**

The Chapter 11 Trustee hired L+C and V&W to represent him in investigating and then initiating claims against Wells Fargo Bank, N.A., and Wells Fargo National Bank West. L+C and V&W conducted discovery against Wells Fargo Bank, determined that the Estates had causes of action to bring against Wells Fargo, and filed a complaint seeking recovery of damages, including punitive damages. This adversary proceeding, numbered 23-05039, is pending in the Bankruptcy Court and has been referred to arbitration. Under the Plan, the Chapter 11 Trustee will continue to seek to maximize recoveries from Wells Fargo for distribution to creditors. Most recently, the Chapter 11 Trustee was able to monetize fraudulent transfer causes of action against Wells Fargo in a settlement that brought \$425,000 into the Estates.

The Chapter 11 Trustee also hired Guerra and Wick Phillips to investigate potential recoveries against other financial institutions, including Frost Bank, Bank of San Antonio, Winter Park, and TexStar. The Chapter 11 Trustee commenced an adversary proceeding, numbered 24-05034, against Frost Bank, and a separate adversary proceeding against Bank of San Antonio,

numbered 24-05031. Under the Plan, the Liquidating Trustees will continue to seek to maximize recoveries from Wells Fargo, Frost Bank, and Bank of San Antonio using all available means for distribution to creditors.

### **3. Creditor Settlement and Opt-In**

The Chapter 11 Trustee negotiated a settlement with a large group of claimants in the Cases referred to as the “Creditor Plaintiffs.” The Creditor Plaintiffs commenced their own suit against the Financial Institutions in October 2023. The Creditor Plaintiffs obtained a determination from the Bankruptcy Court that they had causes of action against the Financial Institutions that are distinct from causes of action owned by the Estates.

The Chapter 11 Trustee and the Creditor Plaintiffs negotiated the Creditor Settlement, which allows the Creditor Plaintiffs to benefit from the data and analysis FORVIS collected prior to the Bankruptcy Court’s ruling on the parties’ standing to pursue such claims. The Creditor Settlement provides that the Creditor Plaintiffs and the Chapter 11 Trustee will partially share in each other’s recoveries from litigation against the financial institutions.

Under the Plan, the Chapter 11 Trustee is empowered to enter into similar agreements with other former CP&A clients. In exchange for sharing recoveries on litigation against financial institutions, former clients can also access data and analysis developed by FORVIS.

## **C. BAR DATES**

The deadline for creditors, except Governmental Units, to file proofs of claim in these cases was October 5, 2022. The deadline for Governmental Units to file proofs of claim in these cases was November 28, 2022.

Under Section 2.1 of the Plan, requests for payment of administrative expense claims arising prior to the Effective Date must be filed within thirty (30) days after the Effective Date. Professional Persons holding Fee Claims must also file such claims within thirty (30) days after the Effective Date.

## **D. CLAIMS AGAINST THE DEBTOR**

### **1. In General**

A summary of Claims against the Debtors as set forth in (i) the Debtor’s schedules and (ii) proofs of claim filed against the Estate, is included as **Exhibit C** to this Disclosure Statement.

To date, the Chapter 11 Trustee has performed a reconciliation of the claims from the Debtors’ bankruptcy schedules versus the actual proofs of claim filed, in addition to claims allowed pursuant to order(s) of the Bankruptcy Court. After accounting for objectionable and duplicative claims, the Chapter 11 Trustee believes the pool of General Unsecured Claims is approximately \$273 million against the CP&A Estate and \$238 million against the Pettit Estate.

The Chapter 11 Trustee reserves any and all rights, claims, objections, or other defenses to all claims. Objections to claims will be pursued by the Chapter 11 Trustee before the Plan's Effective Date and after the Liquidating Trusts after the Effective Date.

## **2. Administrative Expense Claims**

Under the Plan, Allowed Administrative Expense Claims will be paid in full on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) ten (10) days after entry of an order by the Bankruptcy Court allowing such Administrative Expense Claim. Request for payment of Administrative Expense Claims must be filed no later than thirty (30) days following the Effective Date unless an earlier date is set by separate Bankruptcy Court order.

A summary of the Plan and its treatment of all Claims follows.

## **IV. THE PLAN**

**THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE, CLASSIFICATION AND TREATMENT OF CLAIMS, AND IMPLEMENTATION OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT AS EXHIBIT A. THE PLAN ITSELF AND THE DOCUMENTS REFERENCED THEREIN WILL CONTROL THE TREATMENT OF CREDITORS, INTEREST HOLDERS, AND OTHER PARTIES IN INTEREST UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON ALL HOLDERS OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTORS.**

The Chapter 11 Trustee's Plan provides for the pursuit of claims and causes of action owned by the Estates. The Plan places all the Estates' remaining assets into the Liquidating Trusts which will liquidate the assets and distribute the proceeds to holders of allowed claims in the priority governed by the Bankruptcy Code, subject to the voluntary subordinations set forth in the Plan.

### **A. CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN**

#### **1. Secured Claims**

##### **a. Class 1A: Counsel Financial Secured Claim**

After the Effective Date, the Liquidating Trustees will treat the Counsel Financial Secured Claim pursuant to the Counsel Financial Settlement Order, ECF No. 1424. The Liquidating Trustees will liquidate and collect any remaining Collateral securing the Counsel Financial Secured Claim and distributing the proceeds pursuant to terms the Counsel Financial Settlement Order, less any amount permitted by the Counsel Financial Settlement Order. The Plan provides releases for the CF Parties granted by the Debtors, the Trustee, and the Estates.

**b. Class 1B: Secured Tax Claims**

The Chapter 11 Trustee or Liquidating Trustees shall pay all Allowed Secured Tax Claims in the ordinary course of business during the pendency of these Cases. Holders of any Allowed Secured Tax Claims outstanding as of the Effective Date shall be paid by the later of: (a) the Effective Date of the Plan or (b) the date immediately prior to the date on which such Allowed Claims would become delinquent under applicable non-bankruptcy law, together with interest at the applicable non-bankruptcy rate. Any Liens securing such Secured Tax Claims shall attach to the Cash proceeds from the sale of Collateral securing such Secured Tax Claims with the same extent, priority, and validity as in effect as of the Effective Date.

**c. Class 1C: Secured Claims**

Unless the holder of an Allowed Other Secured Claim agrees to less favorable treatment, the Chapter 11 Trustee or Liquidating Trustees shall, at their option, on the later of the Effective Date or the date that the Other Secured Claim becomes an Allowed Claim: (i) pay the Claimant the amount of the Allowed Other Secured Claim in Cash or (ii) return the Collateral securing such Allowed Other Secured Claim to the holder in full satisfaction of such Allowed Claim.

**2. Class 2: General Unsecured Claims**

**a. Class 2A: General Unsecured Claims Against CP&A**

Holders of Allowed General Unsecured Claims against the CP&A Estate shall receive Class 2A beneficial interests in the Liquidating CP&A Trust in full satisfaction of such Allowed General Unsecured Claim. Class 2A beneficial interests in the Liquidating CP&A Trust will be paid pro rata until paid in full with interest at the Plan Interest Rate from assets contributed to the Liquidating CP&A Trust by the CP&A Estate.

**b. Class 2B: General Unsecured Claims Against Pettit**

Holders of Allowed General Unsecured Claims against the Pettit Estate shall receive Class 2B beneficial interests in the Liquidating Pettit Trust in full satisfaction of such Allowed General Unsecured Claim. Class 2B beneficial interests in the Liquidating Pettit Trust will be paid pro rata until paid in full with interest at the Plan Interest Rate from assets contributed to the Liquidating Pettit Trust by the Pettit Estate.

**3. Class 3: Subordinated Claims**

**a. Class 3A: Subordinated Claims Against CP&A**

Holders of Allowed Subordinated Claims against the CP&A Estate shall receive Class 3A beneficial interests in the Liquidating CP&A Trust in full satisfaction of such Allowed Subordinated Claim. Class 3A beneficial interests in the Liquidating CP&A Trust will be paid pro rata until paid in full with interest at the Plan Interest Rate from assets contributed to the Liquidating CP&A Trust by the CP&A Estate beginning immediately after Class 2A beneficial interests in the Liquidating CP&A Trust have been paid in full.

**b. Class 3B: Subordinated Claims Against Pettit**

Holders of Allowed Subordinated Claims against the Pettit Estate shall receive Class 3B beneficial interests in the Liquidating Pettit Trust in full satisfaction of such Allowed Subordinated Claim. Class 3B beneficial interests in the Liquidating Pettit Trust will be paid pro rata until paid in full with interest at the Plan Interest Rate from assets contributed to the Liquidating Pettit Trust by the Pettit Estate beginning immediately after Class 2B beneficial interests in the Liquidating Pettit Trust have been paid in full.

**4. Class 4: Interests in CP&A**

No Distribution of any kind will be made by the Liquidating Trustees on account of Interests in CP&A unless and until all Allowed Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims, the Secured Claims, General Unsecured Claims, and Subordinated Claims have been paid in full in accordance with the terms of this Plan, including any and all interest accrued at the Plan Interest Rate and fees allowable under applicable law. Thereafter, as Cash in excess of the Liquidating Trustees' Distributions to Allowed General Unsecured Claims and Allowed Subordinated Claims is available from the Liquidating Trust Assets, the Liquidating CP&A Trustee shall make pro rata Distributions to holders of Interests in CP&A. This beneficial interest in the Liquidating CP&A Trust is provided to holders of Interest on account of such Interests, and such Interests will be cancelled under the Plan. On and after the Effective Date, the Liquidating CP&A Trustee shall take all steps necessary to dissolve CP&A pursuant to applicable non-bankruptcy law.

**B. ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

The Bankruptcy Code requires that all Administrative Expense Claims against the Estate be paid in full in cash on the Effective Date of the Plan unless the holder of such a Claim agrees to a different treatment. Administrative Expense Claims and Priority Tax Claims are not classified under the Plan. Except to the extent the holder of an Administrative Expense Claim has agreed to a different treatment, each holder of an Allowed Administrative Expense Claim shall receive, on account of and in full satisfaction of such Claim, Cash in an amount equal to the Allowed amount of such Administrative Expense Claim on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) ten (10) days after entry of an order by the Bankruptcy Court allowing such Administrative Expense Claim.

Except to the extent that a holder of an Allowed Priority Tax Claim has agreed or agrees to a different treatment of such Claim, each holder of an Allowed Priority Tax Claim shall receive on (or as soon as reasonably practicable after) the Effective Date, at the Chapter 11 Trustee's option: (i) Cash in an amount equal to the Allowed amount of such Claim, or (ii) regular installment payments of Cash (a) having a total value, as of the Effective Date, equal to the Allowed amount of the Claim, (b) over a period ending not later than five (5) years after the Petition Date and (c) in a manner not less favorable than the most favored nonpriority Allowed General Unsecured Claims provided for by the Plan (other than Cash payments made to a class of creditors under section 1122(b) of the Bankruptcy Code).

To the extent interest is required to be paid on any Priority Tax Claim, the rate of such interest shall be the rate determined under applicable non-bankruptcy law, as set forth in section 511 of the Bankruptcy Code. To the extent the holder of an Allowed Priority Tax Claim has a Lien on the Debtor's property, such Lien shall remain in place until such Allowed Priority Tax Claim has been paid in full. On and after the Effective Date, all ad valorem property taxes (if any) will be paid as they become due, in the ordinary course.

Pursuant to Section 2.1 of the Plan, holders of Administrative Expense Claims arising from the Petition Date through the Effective Date, other than Professional Persons holding Fee Claims, must file with the Bankruptcy Court a request for payment of such Claims within thirty (30) days after the Effective Date. Pursuant to Section 2.2 of the Plan, Professional Persons holding Fee Claims that have not been the subject of a final fee application and accompanying Bankruptcy Court order shall similarly file a final application for payment of fees and reimbursement of expenses no later than the date that is thirty (30) days after the Effective Date.

## **C. IMPLEMENTATION OF THE PLAN**

### **1. Plan Settlement**

As discussed above, the Plan constitutes a compromise and settlement under Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code between the Chapter 11 Trustee and the Estates on one hand and the holders of the Counsel Financial Secured Claim on the other hand. In exchange for the treatment of the Counsel Financial Secured Claim under the Plan, the Estates agree to release substantially all claims against the CF Parties.

### **2. The Liquidating Trusts**

The Plan contemplates the establishment of the Liquidating Trusts on the Effective Date to serve as the successors to the Debtors and the Estates. A copy of the proposed form of trust agreement to govern the Liquidating Trusts will be filed with the Plan Supplement. Eric Terry will serve as the Liquidating Trustees of the Liquidating Trusts to manage the assets, administration, and distribution of the Liquidating Trusts' recoveries to creditors. The Liquidating Trusts shall receive and hold the Estates' remaining cash on hand, real and personal property, and other assets, which include but are not limited to the Estates' Causes of Action against third parties. A non-exclusive list of the Causes of Action to be assigned to the Liquidating Trusts is attached hereto as **Exhibit D**. The Liquidating Trustees will be entitled to hire professionals to assist in the administration of the Liquidating Trusts and pursue recoveries on the Causes of Action for the benefit of the Liquidating Trusts' beneficiaries, primarily the General Unsecured Creditors. The Liquidating Trustees are specifically authorized to hire themselves and their law firm as counsel to represent the Liquidating Trusts and to pay them reasonable compensation.

The Liquidating Trustees shall be entitled to a fee of three percent (3%) of all disbursements made from the Liquidating Trusts.



## V. RETENTION OF CAUSES OF ACTION

The Liquidating Trusts shall retain all rights, claims, defenses and causes of action including, but not limited to the Causes of Action, including but not limited to, causes of action against the parties listed on **Exhibit D**. The Liquidating Trustees and Liquidating Trusts, as applicable, shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or any action, order, or approval of the Bankruptcy Court. The Chapter 11 Trustee shall have the right to disclose any additional Causes of Action prior to the Effective Date of the Plan.

Except as otherwise provided in the Plan, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights, claims, Causes of Action, rights or setoff or recoupment, or other legal or equitable defenses that the Debtors or the Estates owned immediately prior to the Effective Date in accordance with any provision of the Bankruptcy Code or any applicable non-bankruptcy law. The Liquidating Trusts shall have, retain, reserve, and be entitled to assert all such claims, Causes of Action, rights of setoff or recoupment, and other legal or equitable defenses as fully as if the Chapter 11 Cases had not been commenced and all of the Debtors' legal and equitable rights in respect of any Claim may be asserted after the Confirmation Date and Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

The failure to list or describe any Causes of Action in this Disclosure Statement or in the Plan is not intended to limit the rights of the Liquidating Trusts to pursue any known or unknown Cause of Action. Unless a Cause of Action against a Person is expressly waived, relinquished, released, compromised, or settled herein or in any Final Order, the Chapter 11 Trustee expressly reserves all Causes of Action (including unknown Causes of Action) for later adjudication through the Liquidating Trusts and therefore, no preclusion doctrine of res judicata, collateral estoppel, issue preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action upon, after, or as a result of the confirmation or Effective Date of the Plan, or the Confirmation Order. No Person may rely on the absences of a specific reference in the Plan, the Liquidating Trust Agreements, or this Disclosure Statement to any Cause of Action against them as any indication that the Chapter 11 Trustee or Liquidating Trustees, on behalf of the Debtors or the Estates, will not pursue any and all available Causes of Action against them. The Chapter 11 Trustee expressly reserves all rights to prosecute, through the Liquidating Trusts, all Causes of Action other than those settled, resolved, or released pursuant to the Plan.

For the avoidance of doubt, the Debtors and the Estates, through the Liquidating Trusts, reserve and shall retain all Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease and will continue to review payments made by and transactions involving the Debtors prior to the Petition Date to determine whether preference and other actions to avoid such payments and transactions should be brought.

IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLAN, AND IN DETERMINING WHETHER TO VOTE IN FAVOR OF OR AGAINST THE PLAN, HOLDERS

OF CLAIMS AND EQUITY INTERESTS (INCLUDING PARTIES THAT RECEIVED PAYMENTS FROM THE DEBTORS WITHIN NINETY (90) DAYS PRIOR TO THE PETITION DATE) SHOULD CONSIDER THAT A CAUSE OF ACTION MAY EXIST AGAINST THEM, THAT THE PLAN PRESERVES ALL CAUSES OF ACTION, AND THAT THE PLAN AUTHORIZES THE LIQUIDATING TRUSTS TO PROSECUTE THE SAME.

## **VI. ADDITIONAL PROVISIONS AND EFFECT OF THE PLAN**

### **A. LEGAL EFFECT OF THE PLAN**

#### **1. Exculpations**

The Plan provides exculpation to the Chapter 11 Trustee and the members of the Committee as the “Exculpated Parties.” As provided by the Plan, neither the Exculpated Parties nor any of their respective present or former members, managers, officers, directors, employees, equity holders, partners, affiliates, funds, advisors, attorneys or agents, or any of their predecessors, successors or assigns, shall have or incur any liability to any holder of a Claim or an Equity Interest, or any other party-in-interest, or any of their respective agents, employees, equity holders, partners, members, affiliates, funds, advisors, attorneys or agents, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the administration of the Chapter 11 Cases, the negotiation and pursuit of approval of this Disclosure Statement, the preparation of the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the funding of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, and shall be deemed to have acted in good faith in connection therewith and entitled to the protections of section 1125(e) of the Bankruptcy Code. Notwithstanding anything to the contrary, the Plan shall not exculpate any party from any liability based upon gross negligence or willful misconduct.

#### **2. Injunction and Stay**

Except as otherwise expressly provided in the Plan, all Enjoined Parties are permanently enjoined, from and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or Equity Interest against the Estate, the Chapter 11 Trustee, the Liquidating Trustees, the Liquidating Trusts, or other entity released, discharged, or exculpated hereunder, (ii) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Estate, the Chapter 11 Trustee, the Liquidating Trustees or the Liquidating Trusts with respect to any such Claim or Equity Interest, (iii) creating, perfecting, or enforcing any encumbrance of any kind against the Estate, the Chapter 11 Trustee, the Liquidating Trustees, the Liquidating Trusts, or against the property or interests in property of any Estate, the Chapter 11 Trustee, the Liquidating Trustees or the Liquidating Trusts, as applicable with respect to any such Claim or Equity Interest, (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from the Estate, the Chapter 11 Trustee, the Liquidating Trustees or the Liquidating Trusts, or against the property or interests in property of the Estate, the Chapter 11 Trustee, the Liquidating Trustees or the Liquidating Trusts with respect to any such Claim or Equity Interest, or (v) pursuing any Claim released under the Plan.

Pursuant to the Settlement Agreement and Mutual Release dated May 29, 2024 approved in the Counsel Financial Settlement Order (the “**Counsel Financial Settlement Agreement**”), the Plan further releases Counsel Financial II, LLC and Counsel Financial Holdings, LLC and all of their officers, directors, employees, representatives, agents, affiliates, parents, subsidiaries, and professionals, and all of their respective successors and assigns (together, the “**CF Parties**”), from any causes of action, rights of action, Claims, demands, and obligations of any nature, including those arising under 11 U.S.C. §§ 506, 544, 545, 547, 548, 549, 550, 553, and 558, whether present or future, whether known or unknown, whether suspected or unsuspected, whether liquidated or unliquidated, whether matured or unmatured, which the Trustee, the Debtors, and the Estates now have, or can, shall or may have at any time against the CF Parties based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Cases, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, except for the obligations under the Counsel Financial Settlement Agreement and the Trustee’s, Liquidating Trustees’, and Estates’ rights to challenge liens and perfection as to assets or property that is not “Agreed Counsel Financial Collateral” (as this term is defined in the Counsel Financial Settlement Agreement) and which perfection of any lien on such assets or property is covered solely by the “Subject Language” (as this term is defined in the Counsel Financial Settlement Agreement). The Bankruptcy Court will have sole and exclusive jurisdiction to determine whether a claim or cause of action is colorable and shall have jurisdiction to adjudicate the underlying colorable claim or cause of action.

Unless otherwise provided, all injunctions or stays arising under or entered during the Debtors’ Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

### **3. Vesting of Assets**

Upon the Confirmation Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, the Liquidating Trust Assets shall vest in the Liquidating Trusts, free and clear of all Claims, Liens, encumbrances, charges and other interests, except as otherwise provided in the Plan.

## **B. MODIFICATION OR REVOCATION OF THE PLAN; SEVERABILITY**

Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, alterations, amendments or modifications of the Plan may be proposed in writing by the Chapter 11 Trustee at any time prior to or after the Confirmation Date. Holders of Claims and Equity Interests that have accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified; provided, however, that any holders of Claims and Equity Interests who were deemed to accept the Plan because such Claims and Equity Interests were unimpaired shall continue to be deemed to accept the Plan only if, after giving effect to such amendment or modification, such Claims and Equity Interests continue to be unimpaired.

If the Bankruptcy Court determines that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest, the Chapter 11 Trustee may modify the Plan in accordance with the Plan so that such provision shall not be applicable to the holder of any Claim or Equity Interest. Any determination of unenforceability shall not (i) limit or affect the

enforceability and operative effect of any other provisions of the Plan; or (ii) require the re-solicitation of any acceptance or rejection of the Plan unless otherwise ordered by the Bankruptcy Court.

### **C. RETENTION OF BANKRUPTCY COURT JURISDICTION**

Following the Confirmation Date, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code.

### **D. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

#### **1. Rejection of Executory Contracts and Unexpired Leases**

The Plan contemplates that the Chapter 11 Trustee shall reject each executory contract and unexpired lease to which the Estate is a party with certain potential exceptions. The Confirmation Order shall constitute an order of the Bankruptcy Court approving the contract and lease assumptions or rejections described above, as of the Effective Date. The rejections set forth in this section shall include rejecting any obligations of the Chapter 11 Trustee pursuant to the Debtors' by-laws, limited partnership agreements, or other organizational documents and agreements to indemnify any officers or directors of the Debtors for any prepetition actions or failures to act.

#### **2. Claims based on Rejection of Executory Contracts or Unexpired Leases**

All Claims arising out of the rejection of executory contracts and unexpired leases (if any) must be served upon the Chapter 11 Trustee and his counsel within thirty (30) days after the earlier of (i) the date of entry of an order of the Bankruptcy Court approving such rejection or (ii) the Effective Date. Any Claims not filed within such time shall be forever barred from assertion against the Debtor, the Estate, its property, and the Liquidating Trusts.

### **E. DISTRIBUTIONS UNDER THE PLAN**

In general, distributions and deliveries to be made under the Plan will be made either on the Effective Date or as soon as practicable thereafter in accordance with the Liquidating Trust Agreements. All distributions made by the Liquidating Trustees to beneficiaries of the Liquidating Trusts shall be obtained from Liquidating Trust Assets. All distributions made pursuant to the Plan shall be in Cash.

### **F. OBJECTIONS TO CLAIMS AND DISPUTED CLAIMS**

The Liquidating Trustees, the Chapter 11 Trustee or any other party in interest with standing, shall be entitled to object to Claims and Equity Interests, including objections seeking reclassification or subordination of Claims. If a timely objection is made with respect to any Claim or Equity Interest, no payment or distribution under the Plan shall be made on account of such Claim or Equity Interest unless and until such Disputed Claim or Disputed Equity Interest becomes Allowed. Any Claim for which a proof of claim is filed after the applicable Bar Date shall be deemed disallowed. The Plan authorizes the Liquidating Trusts to object to any Claim paid in

whole or in part by any other person, including any restitution, and seek a reduction of such Claim by the amount so paid.

## **VII. CERTAIN RISK FACTORS AND BEST INTERESTS TEST**

### **A. RISKS TO CONFIRMATION AND EFFECTIVENESS**

ALL HOLDERS OF IMPAIRED CLAIMS AND IMPAIRED INTERESTS SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE EXHIBITS HERETO) PRIOR TO DETERMINING WHETHER AND HOW TO VOTE ON THE PLAN.

BEFORE DETERMINING WHETHER AND HOW TO VOTE ON THE PLAN, YOU SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT THE RISKS AND UNCERTAINTIES BELOW ARE NOT THE ONLY ONES THE CHAPTER 11 TRUSTEE FACES BUT REPRESENT THE RISKS THE CHAPTER 11 TRUSTEE BELIEVES ARE MATERIAL. HOWEVER, THERE MAY BE ADDITIONAL RISKS THAT THE CHAPTER 11 TRUSTEE CURRENTLY CONSIDERS NOT TO BE MATERIAL OR OF WHICH THE CHAPTER 11 TRUSTEE IS NOT CURRENTLY AWARE, AND ANY OF THESE RISKS COULD HAVE THE EFFECTS SET FORTH ABOVE.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. The requirements for confirmation are set forth in Section 1129 of the Bankruptcy Code, which requires, among other things, a finding by the Bankruptcy Court that confirmation of the Plan is not likely to be followed by a liquidation or need for further financial reorganization, and that the value of the distributions to non-accepting holders of Claims and Interest holders would not be less than the value that such creditors or interest holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Although the Chapter 11 Trustee believes that these requirements will be satisfied, there can be no assurance that the Court will concur.

The Chapter 11 Trustee has no duty to update the information contained in this Disclosure Statement as of the date hereof, unless otherwise specified herein, or unless the Chapter 11 Trustee is required to do so pursuant to an order of the Bankruptcy Court. Delivery of this Disclosure Statement after the date hereof does not imply that the information contained herein has remained unchanged.

Various factors will impact the amount of recoveries that are received from the Liquidating Trusts and, at this time, the Chapter 11 Trustee cannot estimate the amount of such recoveries with any degree of certainty. The Liquidating Trust Assets will consist primarily of Causes of Action. Accordingly, due to the uncertainty of litigation, it is difficult to predict how much the Liquidating Trusts will recover on account of such claims.

## **B. ALTERNATIVES TO CONFIRMATION**

Although this Disclosure Statement is intended to provide information to assist the holder of a Claim or Interest in determining whether to vote for or against the Plan, a summary of the alternatives to confirmation of the Plan may be helpful.

If the Plan is not confirmed, the following alternatives are available: (a) confirmation of another chapter 11 plan; (b) conversion of one or both of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; or (c) dismissal of the Chapter 11 Cases leaving holders of Claims and Equity Interests to pursue available non-bankruptcy remedies. These alternatives to the Plan are very limited and not likely to benefit creditors. Although the Chapter 11 Trustee could theoretically file a new plan, because the Debtors' tangible assets have largely been sold and only causes of action remain to be pursued, any plan is likely to contain terms similar to the Plan. Although any party in interest could theoretically file a new plan, the most likely result if the Plan is not confirmed is that the Chapter 11 Cases will be converted to ones under chapter 7 of the Bankruptcy Code.

The Chapter 11 Trustee believes that conversion of the Chapter 11 Cases to a chapter 7 case would result in (i) significant delay in distributions to all creditors who would have received a distribution under the Plan; and (ii) diminished recoveries for certain classes of creditors due to, among other things, an increase in administrative expenses. If the Chapter 11 Cases are dismissed, which is unlikely, creditors would be free to pursue non-bankruptcy remedies in their attempts to satisfy claims against the Debtors. However, in that event, creditors would be faced with the costs and difficulties of attempting, each on its own, to collect claims from the Debtors.

## **VIII. LIQUIDATION ANALYSIS AND FEASIBILITY**

### **A. LIQUIDATION ANALYSIS**

The Chapter 11 Trustee believes that any liquidation analysis is speculative, as such an analysis is necessarily premised on assumptions and estimates, which are inherently subject to significant uncertainties and contingencies, many of which would be beyond the control of the Chapter 11 Trustee. Thus, there can be no assurances as to the values that would actually be realized in a chapter 7 liquidation, nor can there be any assurance that a Bankruptcy Court would accept the Chapter 11 Trustee's conclusions or concur with such assumptions in making its determination under Section 1129(a)(7). However, the Chapter 11 Trustee believes that, under the proposed terms of the Plan, all holders of Impaired Claims and Interests will receive property with a value not less than the value such holders would receive in a chapter 7 liquidation of the Estates' assets.

The Chapter 11 Trustee's belief is based primarily on consideration of the effect that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to holders of Claims, including (i) increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a chapter 7 trustee and professional advisors to the trustee; (ii) substantial increases in claims, and (iii) substantial delay in distributions to holders of Claims and Interests that would likely ensue in a chapter 7 liquidation. A detailed liquidation analysis is attached hereto as **Exhibit B**.

## **B. FEASIBILITY**

Pursuant to Section 1129(a)(11) of the Bankruptcy Code, the Chapter 11 Trustee must demonstrate that the Bankruptcy Court's confirmation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Debtors or their successors under the plan, unless such liquidation or reorganization is proposed under the Plan. Because the Plan liquidates all the Debtor's assets, the Plan complies with this provision. Further, distributions from the Liquidating Trusts do not depend on future operations of the Debtors; thus, the Chapter 11 Trustee reasonably believes that the Liquidating Trustees will be able to make all such distributions under the Plan. Therefore, the Bankruptcy Court's confirmation of the Plan is not likely to be followed by liquidation of the Debtors or the need for further reorganization.

## **IX. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

### **A. IN GENERAL**

A summary description of certain U.S. federal income tax consequences of the Plan is provided below. The description of tax consequences below is for informational purposes only and is subject to significant uncertainties. Only the principal consequences of the Plan for the Debtors and for the holders of Claims who are entitled to vote to confirm or reject the Plan are described below. No opinion of counsel has been sought or obtained with respect to tax consequences of the Plan, and no tax opinion is being given in this Disclosure Statement. No rulings or determinations of the Internal Revenue Service ("IRS") or any other tax authorities have been obtained or sought with respect to the Plan, and the description below is not binding upon the IRS or such other authorities.

The following discussion of U.S. federal income tax consequences is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), regulations promulgated and proposed thereunder, and judicial decisions and administrative rulings and pronouncements of the IRS as in effect on the date hereof. Legislative, judicial or administrative changes or interpretations enacted or promulgated in the future could alter or modify the analyses and conclusions set forth below. It cannot be predicted at this time whether any tax legislation will be enacted or, if enacted, whether any tax law changes contained therein would affect the tax consequences to holders of Claims or Equity Interests. Any such changes or interpretations may be retroactive and could significantly affect the U.S. federal income tax consequences discussed below.

**THIS DISCUSSION DOES NOT ADDRESS FOREIGN, STATE OR LOCAL TAX CONSEQUENCES OF THE PLAN, NOR DOES IT PURPORT TO ADDRESS THE U.S. FEDERAL TAX CONSEQUENCES OF THE PLAN TO SPECIAL CLASSES OF TAXPAYERS (SUCH AS FOREIGN ENTITIES, NONRESIDENT ALIEN INDIVIDUALS, PASS-THROUGH ENTITIES SUCH AS PARTNERSHIPS AND HOLDERS THROUGH SUCH PASS-THROUGH ENTITIES, S CORPORATIONS, MUTUAL FUNDS, INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, SMALL BUSINESS INVESTMENT COMPANIES, REGULATED INVESTMENT COMPANIES, CERTAIN SECURITIES TRADERS, BROKER-DEALERS AND TAX-EXEMPT ORGANIZATIONS). FURTHERMORE, ESTATE AND GIFT TAX ISSUES ARE NOT ADDRESSED HEREIN AND TAX CONSEQUENCES RELATING TO THE ALTERNATIVE MINIMUM TAX ARE GENERALLY NOT DISCUSSED HEREIN.**

NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE PLAN TO ANY HOLDER OF A CLAIM OR EQUITY INTEREST. EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN.

#### **B. FEDERAL INCOME TAX CONSEQUENCES TO THE DEBTORS**

Generally, the discharge of a debt obligation by a debtor for an amount less than the adjusted issue price (in most cases, the amount the debtor received on incurring the obligation, with certain adjustments) gives rise to cancellation of debt (“COD”) income, which must be included in the debtor’s income. The Debtors may have COD income as a result of the Plan, however, the Liquidating Trusts, should be able to utilize a special tax provision which excludes from income debts discharged in a chapter 11 case. If debts are discharged in a chapter 11 case, however, certain tax attributes otherwise available must be reduced by the amount of COD income that is excludable from income. Tax attributes subject to reduction generally include net operating losses and net operating loss carryovers (collectively, “NOLs”). Any NOLs would be reduced (assuming there is not an election pursuant to section 108(b)(5) of the Tax Code to first reduce the tax basis of the depreciable property) to the extent of the COD income exclusion. The COD income generated by the debt cancellation occurring pursuant to the Plan may eliminate available NOLs generated prior to the Effective Date (although such NOLs, which may be subject to usage limitations under section 382 of the Tax Code, would first be permitted to offset any taxable income generated in the tax year that includes the Effective Date). The Debtor’s and remaining NOLs may have a value, and that value is presently undergoing analysis.

#### **C. FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF CLAIMS**

Holders of Claims should generally recognize a gain (or loss) to the extent the amount realized under the Plan (generally the amount of cash received) in respect of their Claims exceeds (or is exceeded by) their respective tax bases in their Claims. The tax treatment of holders of Claims and the character and amount of income, gain or loss recognized as a consequence of the Plan and the distributions provided for by the Plan will depend upon, among other things, (a) the nature and origin of the Claim, (b) the manner in which a holder acquired a Claim, (c) the length of time a Claim has been held, (d) whether the Claim was acquired at a discount, (e) whether the holder has taken a bad debt deduction in the current or prior years, (f) whether the holder has previously included in income accrued but unpaid interest with respect to a Claim, (g) the method of tax accounting of a holder, and (h) whether a Claim is an installment obligation for U.S. federal income tax purposes. Therefore, holders of Claims should consult their own tax advisors for information that may be relevant to their particular situations and circumstances and the particular tax consequences to such holders as a result thereof. Holders of Claims may also consider consulting with their tax advisors regarding the applicability of 26 U.S.C. § 165 losses based upon their particular facts and circumstances.

The tax treatment of a holder of a Claim that receives distributions in different taxable years is uncertain. If such a holder treats the transaction as closed in the taxable year it first receives



(or is deemed to have received) a distribution of cash and/or other property, it should recognize gain or loss for such tax year in an amount equal to the cash and the value of the other property actually (and deemed) received in such tax year (other than that received in respect of accrued interest) with respect to its Claim (other than any portion of the Claim that is attributable to accrued interest) plus the estimated value of future distributions (if any) less its tax basis in its claim (except to the extent its Claim is for accrued interest). A holder should then subsequently recognize additional income or loss when additional property distributions are actually received in an amount equal to the cash and/or value of such other property (other than that received in respect of accrued interest) less the holder's allocable tax basis in its Claim with respect to such subsequent distribution. A holder may have to treat a portion of any subsequent distribution as imputed interest recognizable as ordinary income in accordance with the holder's method of tax accounting. If instead the open transaction doctrine applies as a result of the value of the subsequent distributions that a holder may receive not being ascertainable on the closing date or the Effective Date, such holder should not recognize gain (except to the extent the value of the case and/or other property already received exceeds such holder's adjusted tax basis in its Claim (other than any Claim for accrued interest)) or loss with respect to its Claim until it receives the final distribution thereon. It is the position of the IRS that the open transaction doctrine only applies in rare and extraordinary cases. The Chapter 11 Trustee believes that the open transaction doctrine should not apply and that holders may be entitled to take the position that on the closing date and on the Effective Date no value should be assigned to the right to receive any subsequent distributions. Holders of Claims are urged to consult their own tax advisors regarding the application of the open transaction doctrine and how it may apply to their particular situations, whether any gain recognition may be deferred under the installment method, whether any loss may be disallowed or deferred under the related party rules and the tax treatment of amounts that certain holders of Claims may be treated as paying to other holders of Claims.

Holders of Allowed Claims will be treated as receiving a payment of interest (in addition to any imputed interest as discussed in the preceding paragraph) includible in income in accordance with the holder's method of accounting for tax purposes, to the extent that any cash and/or other property received pursuant to the Plan is attributable to accrued but unpaid interest, if any, on such Allowed Claims. The extent to which the receipt of cash and/or other property should be attributable to an accrued but unpaid interest is unclear. The Plan provides, and the Chapter 11 Trustee intends to take the position, that such cash and/or other property distributed under the Plan will first be allocable to the principal amount of an Allowed Claim and then, to the extent necessary, to any accrued but unpaid interest thereon. Each holder should consult its own tax advisor regarding the determination of the amount of consideration received under the Plan that is attributable to interest (if any). A holder generally will be entitled to recognize a loss to the extent any accrued interest was previously included in its gross income and is not paid in full.

#### **D. INFORMATION REPORTING AND BACKUP WITHHOLDING**

Certain payments, including the payments of Claims pursuant to the Plan, are generally subject to information reporting by the payor to the IRS. Moreover, such reportable payments are subject to backup withholding under certain circumstances. Under the backup withholding rules, a holder of a Claim may be subject to backup withholding at the applicable tax rate with respect to distributions or payments made pursuant to the Plan, unless the holder: (a) comes within certain

exempt categories (which generally include corporations) and, when required, demonstrates this fact or (b) provides a correct taxpayer identification number and certifies under penalty of perjury as to the correctness of its taxpayer identification number and certain other tax matters. Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of U.S. federal income taxes, a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS.

#### **E. IMPORTANCE OF OBTAINING PROFESSIONAL TAX ASSISTANCE**

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE CONSEQUENCES OF THE PLAN ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINLY, HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

#### **X. RECOMMENDATION AND CLOSING**

The Chapter 11 Trustee and his professional advisors have explored various alternative scenarios and they believe that the Plan enables the holders of Claims to realize the maximum recovery under the circumstances. The Chapter 11 Trustee believes that the Plan is in the best interest of the Estates, their creditors, equity interest holders, and other parties in interest and believes that the Plan will provide for a more valuable distribution to holders of Allowed Claims and Interests than all other alternatives.

The Plan has the Chapter 11 Trustee's support. Any alternative to confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in potentially diminished distributions to the holders of Claims. Accordingly, the Chapter 11 Trustee recommends the confirmation of the Plan and urges all holders of Claims and Equity Interests to vote to accept the Plan and to indicate such acceptance by returning the Ballots so as to be received no later than **January 6, 2025 at 5:00 p.m. (CST)**.

**Exhibit A**

**Chapter 11 Trustee's Liquidating Plan**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

**IN RE:**

**CHRIS PETTIT & ASSOCIATES, P.C.**

**CHRISTOPHER JOHN PETTIT**

**Jointly Administered Debtors.<sup>1</sup>**

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§  
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§  
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**CASE NO. 22-50591-CAG**

**CASE NO. 22-50592-CAG**

**CHAPTER 11 PROCEEDINGS  
(Jointly Administered Under  
Case No. 22-50591-CAG)**

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**CHAPTER 11 TRUSTEE’S FIRST AMENDED LIQUIDATING PLAN  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

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**COUNSEL FOR ERIC TERRY,  
CHAPTER 11 TRUSTEE**

Dated: November 15, 2024

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s Social Security Number or Federal Tax Identification Number, as applicable, are: Chris Pettit & Associates, P.C. (1267), and Christopher John Pettit (9429).

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## **INTRODUCTION**

Chris Pettit & Associates, P.C. (“CP&A”) and Christopher John Pettit (“Pettit,” and together with CP&A, the “Debtors”) in the above-captioned chapter 11 cases (the “Cases”), filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) on June 1, 2020 (the “Petition Date”). On June 22, 2022, the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the “Bankruptcy Court”) approved the appointment of Eric Terry as chapter 11 trustee (the “Chapter 11 Trustee”). The Trustee hereby proposes his *Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* (the “Plan”) for the resolution of the outstanding claims against and interests in the Debtors through two liquidating trusts, one related to each Debtor’s estate. Vesting the Estates’ property in the liquidating trusts will reduce administrative costs and burdens related to being in pending chapter 11 bankruptcy cases.

A liquidating trustee will be appointed over each liquidating trust and the liquidating trustees will be responsible for administering all claims against the Debtors and liquidating all remaining assets of the estates, including reserved causes of action and other assets, each as further described herein. Capitalized terms used herein shall have the meanings ascribed to such terms in ARTICLE I.

Under section 1125(b) of the Bankruptcy Code, a vote to accept or reject the Plan cannot be solicited until such time as a disclosure statement has been approved by the Bankruptcy Court. As of the filing of this Plan, the Bankruptcy Court has indicated its approval of the Trustee’s *Disclosure Statement for Chapter 11 Trustee’s Liquidating Plan Under Chapter 11 of the Bankruptcy Code* (the “Disclosure Statement”). The Disclosure Statement contains, among other things, a discussion of the Debtors’ history, remaining assets including causes of action, projections or range of projected recoveries for parties-in-interest, risk factors, a summary and analysis of the Plan, and certain related matters.

**ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENCOURAGED TO READ THE PLAN AND DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.**

Subject to the terms of this Plan and certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Trustee expressly reserves his right to alter, amend, modify, revoke or withdraw the Plan, one or more times, prior to its substantial consummation.

## **ARTICLE I**

### **DEFINED TERMS AND RULES OF INTERPRETATION**

#### **A. Definitions.**

For purposes of this Plan, except as otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meaning set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or Bankruptcy

Rules, will have the meaning given to the term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

**1.1 “Administrative Claim”** means a Claim for costs and expenses of administration of the Cases pursuant to sections 327, 328, 330, 331, 363, 365, 503(b), 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, (a) any actual and necessary costs and expenses, incurred after the Petition Date, of preserving the Estate, (b) Fee Claims, (c) all fees and charges assessed against the Estate under title 28 of the United States Code to the extent not already paid or satisfied under the terms of the Plan, and (d) all other Claims asserted under title 28 of the United States Code.

**1.2 “Administrative Claim Bar Date”** means the deadline forty-five (45) days after the Effective Date by which holders of asserted Administrative Claims, other than Fee Claims, claims for U.S. Trustee fees under 28 U.S.C. § 1930, Administrative Tax Claims and administrative ordinary course liabilities, shall file with the Bankruptcy Court a request for the allowance and payment of such Administrative Claim or forever be barred from doing so.

**1.3 “Administrative Tax Claim”** means a Claim by a Governmental Unit for taxes (and for interest or penalties related to such taxes) for any tax year or period, all or a portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date.

**1.4 “Affiliate”** has the meaning given such term by section 101(2) of the Bankruptcy Code.

**1.5 “Allowed”** when used with respect to all or any part of a Claim or Interest, means:

(a) if no proof of claim has been timely filed, such amount of the Claim or group of Claims which has been Scheduled by the Debtors as liquidated in amount and not disputed or contingent and as to which no party in interest has filed an Objection before the Claims Objection Deadline or such other time fixed by the Bankruptcy Court, and which Claim is not disallowed under section 502(d) or (e) of the Bankruptcy Code;

(b) if a proof of claim has been filed by the Claims Bar Date, or is deemed timely filed by the Bankruptcy Court pursuant to Final Order, such amount of the Claim as to which any party in interest has not filed an Objection before the Claims Objection Deadline or such other time fixed by the Bankruptcy Court and which Claim is not Disallowed under section 502(d) or (e) of the Bankruptcy Code;

(c) that has been allowed by a Final Order of the Bankruptcy Court; or

(d) that is expressly allowed in a liquidated amount in this Plan.

**1.6 “Asset” or “Assets”** means all assets of the Debtors’ Estates as of the Effective Date, including “property of the estate” as described in section 541 of the Bankruptcy Code.

**1.7 “Avoidance Actions”** means Causes of Action arising under sections 502, 510, 541, 542, 543, 544, 545, 547 through and including 553 of the Bankruptcy Code, or under similar

or related state or federal statutes and common law, including fraudulent transfer laws, whether or not litigation is commenced to prosecute such Causes of Action, and which may be recovered pursuant to section 550 of the Bankruptcy Code.

**1.8 “Bankruptcy Code”** means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., including all amendments thereto, to the extent such amendments are applicable to the Cases.

**1.9 “Bankruptcy Court” or “Court”** means the United States Bankruptcy Court for the Western District of Texas, San Antonio Division.

**1.10 “Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended and applicable to the Case.

**1.11 “Ballot”** means the formal ballot included in the solicitation packets and disseminated with the Disclosure Statement to holders of Impaired Claims entitled to vote on the Plan.

**1.12 “Business Day”** means any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

**1.13 “Cases”** means the bankruptcy cases under chapter 11 of the Bankruptcy Code, pending in the Bankruptcy Court and jointly administered under Case No. 22-50591.

**1.14 “Cash”** means cash or cash equivalents including, but not limited to, bank deposits, checks, or other similar items.

**1.15 “Causes of Action”** means any action, proceeding, claim, cross-claim, third-party claim, cause of action, controversy, demand, right, Lien, indemnity, contribution, guaranty, suit, obligation, liability, debt, damage, judgment, account, defense, remedy, offset, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, assertable directly or derivatively (including, without limitation, under alter ego theories), whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law, including (a) any right of setoff, cross-claim, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any claims under any state or foreign law, including, without limitation, any fraudulent transfer or similar claims; (f) any Avoidance Actions; and (g) . Unless released by a Prior Order or under this Plan, all such Causes of Action will be reserved under the Plan and vested in the Liquidating Trust.

**1.16 “Claim” or “Claims”** means a claim against the Debtors, whether or not asserted, as defined in section 101(5) of the Bankruptcy Code.

**1.17 “Claims Bar Date”** means the general deadline of October 5, 2022, for filing proofs of claim unless otherwise shortened or extended by a Final Order of the Bankruptcy Court and the deadline for Governmental Units of November 28, 2022.

**1.18 “Claims Objection Deadline”** means the first Business Day that is after one year from the Effective Date of the Plan. With respect to Late Filed Claims filed after the Claims Objection Deadline or Rejection Claims filed after the Effective Date, the Claims Objection Deadline means the later of (i) the one year after the Effective Date of the Plan; (ii) the first Business Day that is at least 60 days after the filing of the Rejection Claim; or (iii) 60 days after the entry of a Final Order deeming a Late Filed Claim to be timely.

**1.19 “Claimant”** means the holder of a Claim.

**1.20 “Class”** when referring to a Claim means a category of holders of Claims or Interests as described in ARTICLE III of this Plan.

**1.21 “Collateral”** means any Asset subject to a valid and enforceable Lien to secure payment of a Claim, including any right of offset asserted against any Asset.

**1.22 “Committee”** means the statutory committee of unsecured creditors appointed pursuant to section 1102(a) of the Bankruptcy Code in the Cases, as amended from time to time.

**1.23 “Confirmation Date”** means the date upon which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

**1.24 “Confirmation Hearing”** means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

**1.25 “Confirmation Order”** means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

**1.26 “Counsel Financial Secured Claim”** means the Secured Claims held by Counsel Financial II LLC and Counsel Financial Holdings LLC pursuant to the terms of the Counsel Financial Settlement Order.

**1.27 “CP&A Asset” or “CP&A Assets”** means all assets of the CP&A Estate as of the Effective Date, including “property of the estate” as described in section 541 of the Bankruptcy Code.

**1.28 “CP&A Estate”** means the chapter 11 estate of CP&A.

**1.29 “CP&A Trust Assets”** means the Assets conveyed to the Liquidating CP&A Trust, pursuant to Section 8.2 of the Plan, as of the Effective Date, and defined in the Liquidating CP&A Trust Agreement.

**1.30 “Creditor”** has the meaning given such term in section 101(10) of the Bankruptcy Code.

**1.31 “Cure Amount” or “Cure Claim”** with respect to the assumption or assumption and assignment of an Executory Contract or Unexpired Lease, means the amount equal to all unpaid monetary obligations required to be paid as a condition to the assumption of such agreement pursuant to the provisions of section 365 of the Bankruptcy Code, without interest, or such other amount as may be agreed upon by the parties under such Executory Contract or Unexpired Lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law.

**1.32 “Debtors”** means Christopher John Pettit and Chris Pettit & Associates, P.C.

**1.33 “Deficiency Claim”** means the undersecured portion of a Secured Claim, if any, which constitutes a General Unsecured Claim pursuant to section 506(a) of the Bankruptcy Code.

**1.34 “Disallowed”** when used with respect to all or any part of a Claim or Interest, means, that portion of the Claim that (a) has been disallowed by a Final Order or pursuant to a settlement, or (b)(i) is Scheduled at zero or as contingent, disputed, or unliquidated and (ii) as to which a Claims Bar Date has been established but no proof of claim has been filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

**1.35 “Disclosure Statement”** means the written statement, as amended, supplemented, or modified from time to time, describing the Plan that is prepared and distributed in accordance with sections 1125, 1126(b), and 1145 of the Bankruptcy Code and Bankruptcy Rule 3018.

**1.36 “Disputed Claim”** means a Claim, or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, any Claim (a) that is listed in the Schedules of the Debtor as disputed, contingent, or unliquidated and as to which no proof of claim has been filed; (b) that is listed in the Schedules of the Debtor as undisputed, liquidated, and not contingent and as to which a proof of claim has been filed with the Bankruptcy Court, to the extent the proof of claim amount exceeds the Scheduled amount or asserts a different priority of payment from that reflected in the Schedules; (c) that is not listed in the Schedules of the Debtors, but as to which a proof of claim has been filed with the Bankruptcy Court; (d) as to which an Objection has been or may be timely filed and which Claim has not been Allowed by a Final Order; or (e) for which the proof of claim is filed after the Claims Bar Date.

**1.37 “Distribution” or “Distributions”** means a payment by the Liquidating Trustees in full or partial satisfaction of an Allowed Claim and the obligations imposed under this Plan.

**1.38 “Effective Date”** means the first Business Day which is at least five (5) days after the Confirmation Order is entered and upon which all conditions to the effectiveness of the Plan set forth in ARTICLE XIII below are satisfied or waived in accordance with this Plan.

**1.39 “Entity”** has the meaning given such term in section 101(15) of the Bankruptcy Code.

**1.40 “Enjoined Parties”** means (i) all Entities who have held, hold, or may hold Claims against or Equity Interests in the Debtors (whether or not proof of such Claims or Equity Interests has been filed and whether or not such Entities vote in favor of, against or abstain from voting on

the Plan or are presumed to have accepted or deemed to have rejected the Plan), (ii) any Entity that has appeared and/or filed any motion, objection, or other pleading in these Cases regardless of the capacity in which such Entity appeared and any other party in interest, and (iii) the Related Parties of each of the foregoing. Notwithstanding the foregoing, the definition of “Enjoined Parties” excludes the United States Trustee.

**1.41 “Estates”** means the bankruptcy estates of the Debtors as created under section 541 of the Bankruptcy Code.

**1.42 “Estate Defenses”** means any defense or affirmative defense available to the Chapter 11 Trustee, the Debtors or their Estates, including without limitation the assertion of any Causes of Action as offsets or counterclaims and any right of offsets or recoupments, or any other basis for Objection to a Claim, whether legal or equitable. The Liquidating Trustees shall have standing to and shall otherwise be entitled to assert any and all Estate Defenses after the Effective Date.

**1.43 “Exculpated Parties”** means, collectively, and in each case in their capacities as such solely during the Cases: (a) the Trustee, (b) the Committee, and (c) members of the Committee (in their official capacities); *provided, however*, that each such Person shall only be exculpated as specifically set forth in Article VII of the Plan.

**1.44 “Executing Plaintiff”** means the Persons listed on the respective Exhibit to the Plan Supplement (which lists those Persons who have executed an agreement or other document with the Trustee assigning a interest in such Person’s causes of action or the proceeds of such Person’s causes of action against any Financial Institution or other interest in a cause of action or its proceeds to the Estates), as may be amended or supplemented by the Trustee on or before the Effective Date, plus those Persons that executed a written agreement with the Liquidating Trustees on or after the Effective Date assigning all or a portion of the Person’s interest in such Person’s causes of action or the proceeds of such Person’s causes of action against any Financial Institution or other interest in a cause of action or its proceeds to one of the Liquidating Trusts.

**1.45 “Executing Plaintiff Agreement”** means a settlement agreement, assignment agreement, or such other document executed by an Executing Plaintiff and the Trustee or the Liquidating Trustees as applicable, including the settlement agreement the Bankruptcy Court approved in the Executing Plaintiff Settlement Order.

**1.46 “Executing Plaintiff Settlement Order”** Means the Order Granting Motion under Bankruptcy Rule 9019 to Approve Compromise and Settlement among Executing Plaintiffs and Eric Terry, Chapter 11 Trustee for the Bankruptcy Estates of Christopher John Pettit and Chris Pettit & Associates, P.C. (ECF No. 1341), the Bankruptcy Court entered on April 18, 2024.

**1.47 “Executory Contract”** means an agreement where both parties have additional performance obligations which if unperformed would result in a breach of the agreement, as applicable under section 365 of the Bankruptcy Code.

**1.48 “Exhibit”** means an exhibit annexed to either the Plan, Plan Supplement, or as an appendix to the Disclosure Statement.

**1.49 “Fee Claim”** means a Claim under sections 328, 330(a), 331, 503, or 1103 of the Bankruptcy Code for compensation of a Professional for services rendered or expenses incurred in the Cases on or prior to the Effective Date.

**1.50 “Final Order”** means an order, decree, or judgment of the Bankruptcy Court or another court of competent jurisdiction, the operation or effect of which has not been reversed, stayed, modified, or amended, and as to which order, decree, or judgment (or any revision, modification, or amendment thereof), the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing has been taken or is pending.

**1.51 “Financial Institution”** means Frost Bank, Texas Partners Bank or Texas Partners Bank d/b/a The Bank of San Antonio, Wells Fargo Bank, N.A., Wells Fargo National Bank West, or Winter Park National Bank.

**1.52 “General Unsecured Claim”** means any Claim, other than an Administrative Claim, Fee Claim, Priority Tax Claim, Priority Non-Tax Claim, Counsel Financial Secured Claim, Secured Tax Claim, Other Secured Claim, Creditor Plaintiff Related Claim, or Subordinated Claim, that is not entitled to priority under the Bankruptcy Code or any Final Order of the Bankruptcy Court but which shall include, among others, any Deficiency Claims (if any), and Claims based on guarantee agreements or for indemnification.

**1.53 “Governmental Unit”** means a “governmental unit” as defined in section 101(27) of the Bankruptcy Code.

**1.54 “Impaired”** means, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

**1.55 “Insider”** means an “insider” as defined under section 101(31) of the Bankruptcy Code or applicable case law, whether existing at the time of Confirmation or any time thereafter. When describing a Claim, such term shall mean a Claim held or otherwise asserted by an Insider.

**1.56 “Insurance Contract”** means all insurance policies that have been issued at any time to or provide coverage to the Debtors and all agreements, documents, or instruments relating thereto.

**1.57 “Insurer”** means any company or other Person that issued an Insurance Contract, including with respect to any respective predecessors and/or affiliates of the Debtors.

**1.58 “Interest”** means the right of any current or former holder or owner of any equity security (as defined in section 101(16) of the Bankruptcy Code) of a Debtor, including all shares, common stock, preferred stock, a limited liability company or other membership or partnership interest or unit, or other instrument evidencing any fixed or contingent ownership interest in any Debtor, including any option, warrant, or other right, contractual or otherwise, to acquire any ownership interest in a Debtor, or any right to payment or compensation based upon any such interest, whether or not such interest is owned by the holder of such right to payment or compensation whether or not transferable and whether fully vested or vesting in the future, that existed immediately before the Effective Date.

**1.59** “**IRS**” means the Internal Revenue Service of the United States of America.

**1.60** “**Late Filed Claims**” mean any Claim filed after the Claims Bar Date with the express authorization of the Bankruptcy Court.

**1.61** “**Lien**” has the meaning set forth in section 101(37) of the Bankruptcy Code, and, with respect to any Asset, includes, without limitation, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such Asset.

**1.62** “**Liquidating CP&A Trust**” or the “**CP&A Trust**” means the trust described in ARTICLE VIII of this Plan for administration of the CP&A Trust Assets and as set forth in the Liquidating Trust Agreement.

**1.63** “**Liquidating CP&A Trust Agreement**” means the certain liquidating trust agreement for the Liquidating CP&A Trust, which will be filed as a Plan Supplement, that is to govern the administration of the Liquidating CP&A Trust, including the rights and duties of the Liquidating CP&A Trustee.

**1.64** “**Liquidating CP&A Trustee**” means Eric Terry, solely in his capacity as the trustee of the Liquidating CP&A Trust.

**1.65** “**Liquidating Pettit Trust**” or the “**Pettit Trust**” means the trust described in ARTICLE VIII of this Plan for administration of the Pettit Trust Assets and as set forth in the Liquidating Trust Agreement.

**1.66** “**Liquidating Pettit Trust Agreement**” means the certain liquidating trust agreement for the Liquidating Pettit Trust, which will be filed as a Plan Supplement, that is to govern the administration of the Liquidating Pettit Trust, including the rights and duties of the Liquidating Pettit Trustee.

**1.67** “**Liquidating Pettit Trustee**” means Eric Terry, solely in his capacity as the trustee of the Liquidating Pettit Trust.

**1.68** “**Liquidating Trust**” or the “**Liquidating Trusts**” means together, the Liquidating CP&A Trust and the Liquidating Pettit Trust.

**1.69** “**Liquidating Trust Agreements**” and “**Liquidating Trust Agreement**” means together, the Liquidating CP&A Trust Agreement and the Liquidating Pettit Trust Agreement.

**1.70** “**Liquidating Trust Assets**” means, together, the CP&A Trust Assets and the Pettit Trust Assets.

**1.71** “**Liquidating Trustee**” or “**Liquidating Trustees**” means together, the Liquidating Pettit Trustee and the Liquidating CP&A Trustee.

**1.72** “**Objection**” includes (a) an objection to the allowance of a Claim interposed by any party entitled to do so within the applicable period of limitation fixed by the Plan, the



Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, and (b) as to any Governmental Unit, shall include a proceeding commenced under section 505 of the Bankruptcy Code to determine the legality or amount of any tax.

**1.73 “Other Secured Claims”** means Claims against a Debtor, other than the Counsel Financial Secured Claim and the Secured Tax Claims that are (i) secured by a Lien on property in which a Debtor has an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or (ii) subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder’s interest in the Debtor’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

**1.74 “Person”** means a “person” as defined in section 101(41) of the Bankruptcy Code and also includes any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, Governmental Unit, or other Entity.

**1.75 “Petition Date”** means June 1, 2022, the date on which each of the Debtors filed their voluntary chapter 11 petitions.

**1.76 “Pettit Asset” or “Pettit Assets”** means all assets of the Pettit Estate as of the Effective Date, including “property of the estate” as described in section 541 of the Bankruptcy Code.

**1.77 “Pettit Estate”** means the chapter 11 bankruptcy estate for Christopher John Pettit as created under section 541 of the Bankruptcy Code.

**1.78 “Pettit Trust Assets”** means the Assets conveyed to the Liquidating Pettit Trust, pursuant to Section 8.2 of the Plan, as of the Effective Date, and defined in the Liquidating Pettit Trust Agreement.

**1.79 “Plan”** means this chapter 11 plan of liquidation, either in its present form or as it may be altered, amended, or modified from time to time.

**1.80 “Plan Document” or “Plan Documents”** mean any documents related to the Plan, including the Disclosure Statement, the Liquidating Trust Agreements, Plan Supplements, notices, Ballots, and any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan or Disclosure Statement.

**1.81 “Plan Rate” or “Plan Interest Rate”** means the federal post-judgment rate as set forth in 28 U.S.C. § 1961, in effect on the Effective Date or such other rate as approved or ordered by the Bankruptcy Court. For purposes of calculating interest under this Plan, the “date of the judgment” shall be the Petition Date.

**1.82 “Plan Supplement”** means collectively, one or more supplemental appendices to the Plan containing, among other things, the forms of any organizational documents relevant to the Liquidating Trust Agreements, the identity of the Liquidating Trustees, and any other required documents set forth in this Plan.

**1.83 “Plan Supplement Filing Date”** means December 20, 2024.

**1.84 “Prior Order”** means any order previously entered by the Bankruptcy Court in these Cases.

**1.85 “Prior Settlement”** means any settlement and compromise between the Trustee and any Person that has been previously approved by the Bankruptcy Court.

**1.86 “Priority Non-Tax Claim”** means a Claim, other than an Administrative Claim or a Priority Tax Claim, which is entitled to priority of payment pursuant to section 507(a) of the Bankruptcy Code.

**1.87 “Priority Tax Claim”** means a Claim of a Governmental Unit of the kind entitled to priority pursuant to sections 502(i) and 507(a)(8) of the Bankruptcy Code.

**1.88 “Professional”** means those Persons retained by the Trustee pursuant to an order of the Bankruptcy Court in accordance with sections 327, 328, 330, 331, 333, 363, 503(b) or 1103 of the Bankruptcy Code or who have been employed by a Final Order of the Bankruptcy Court, including without limitation: Compass RE Texas, LLC; Corie Property Group; Davis & Santos, P.C.; Wick Phillips Gould and Martin, LLP; Forvis LLP; Fred Hutt; Golden Oak Development LLC; Jackson Walker, LLP; Luttrell + Carmody Law Group; Mel T. Davis; RFM Commercial, Inc; Rogers Towers, P.A.; Villa & White LLP; Mastrogiovanni, PLLC; Guerra LLP; and Chamberlain, Hrdlicka, White, Williams & Aughtry, P.C.

**1.89 “Professional Fee Order”** means a Bankruptcy Court order allowing a Fee Claim.

**1.90 “Rejection Claim”** means a Claim arising under section 502(g) of the Bankruptcy Code as a consequence of the rejection of any Executory Contract or Unexpired Lease.

**1.91 “Related Parties”** means collectively, its predecessors, successors, assigns, subsidiaries, direct and indirect Affiliates, managed accounts and funds, current officers and directors, principals, shareholders, members, partners, managers, employees, subcontractors, agents, advisory board members, advisors, financial advisors, attorneys, accountants, investment bankers, consultants, agents, representatives, management companies, fund advisors, and other professionals, and such Person’s respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such.

**1.92 “Reserved Causes of Action”** means together the Reserved CP&A Causes of Action and the Reserved Pettit Causes of Action.

**1.93 “Reserved CP&A Causes of Action”** means Causes of Action, including but not limited to those listed on Exhibit C to the Disclosure Statement, not otherwise released under the Plan, Disclosure Statement, Plan Supplement, Prior Settlement, or a Prior Order. These Causes of Action will be transferred to the Liquidating CP&A Trust on the Effective Date.

**1.94 “Reserved Pettit Causes of Action”** means Causes of Action, including but not limited to those listed on Exhibit C to the Disclosure Statement, not otherwise released under the

Plan, Disclosure Statement, Plan Supplement, Prior Settlement, or a Prior Order. These Causes of Action will be transferred to the Liquidating Pettit Trust on the Effective Date.

**1.95 “Scheduled”** means with respect to any Claim, the status and amount, if any, of such Claim as set forth in the Debtor’s respective Schedules

**1.96 “Schedules”** means the schedules of assets and liabilities and the Statement of Financial Affairs filed by the Debtors in their respective case number as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules or statements have been filed or may be subsequently amended or supplemented.

**1.97 “Secured Claim”** means a Claim that is (i) secured by Lien upon property in which the Debtors’ Estates have an interest, which Lien is valid, perfected, and enforceable under applicable law or by reason of a Final Order, or (ii) that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claimant’s interest in the Estates’ interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

**1.98 “Secured Tax Claim”** means a Secured Claim owing to a Governmental Unit.

**1.99 “Solicitation Order”** means the order entered by the Bankruptcy Court establishing procedures with respect to the solicitation and tabulation of votes to accept or reject this Plan.

**1.100 “Statement of Financial Affairs”** means the Statement of Financial Affairs, including any and all amendments and supplements, filed by the Debtors in their respective case number.

**1.101 “Subordinated Claim”** means any Claim that is subject to (a) subordination under section 510 of the Bankruptcy Code or any other statute, (b) contractual subordination, or (c) equitable subordination as determined by the Bankruptcy Court in a Final Order, including, without limitation, any Claim (i) for or arising from the rescission of a purchase, sale, issuance, or offer of a Security of any Debtor; (ii) for damages arising from the purchase or sale of such a Security; or (iii) for reimbursement, indemnification, or contribution allowed under section 502 of the Bankruptcy Code on account of such Claim.

**1.102 “Unexpired Lease”** means a lease entered into by a Debtor prior to the Petition Date and has not terminated prior to the Confirmation Hearing. If the Unexpired Lease is not explicitly assumed on or before the Effective Date, it is deemed Rejected under the Plan.

**1.103 “Unclaimed Property”** means any Cash, Distribution, or any Liquidating Trust Assets for a period of one (1) year after the applicable date of Distribution.

**1.104 “Unimpaired”** means, when used in reference to a Claim or Interest, a Claim or Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

**1.105 “U.S. Trustee”** means the Office of the United States Trustee for the Western District of Texas, or a representative thereof.

**1.106 “Voting Deadline”** means the last Business Day and time for submitting Ballots to accept or reject this Plan in accordance with section 1126 of the Bankruptcy Code as specified in the Solicitation Order.

**1.107 “Voting Record Deadline”** means the date and time established by the Bankruptcy Court in the Solicitation Order for determining those Claimants entitled to vote on the Plan.

**B. Rules of Interpretation.**

For purposes of this Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) any reference in this Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such agreement or document will be substantially in such form or substantially on such terms and conditions; (c) any reference in this Plan to an existing document or Exhibit filed or to be filed means such document or Exhibit, as it may have been or may be amended, modified, or supplemented; (d) unless otherwise specified, all references in this Plan to sections, articles, and Exhibits are references to sections, articles, and Exhibits of or to this Plan; (e) the words “herein” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (f) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of, or to affect, the interpretation of this Plan; (g) “after notice and a hearing,” or a similar phrase has the meaning given such term in section 102 of the Bankruptcy Code; (h) “includes” and “including” are not limiting; (i) “may not” is prohibitive, and not permissive; (j) “or” is not exclusive; and (k) U.S. Trustee includes a designee of the U.S. Trustee.

**C. Computation of Time.**

In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

**ARTICLE II**  
**ADMINISTRATIVE CLAIMS, PRIORITY TAX CLAIMS,**  
**AND PRIORITY NON-TAX CLAIMS**

**1. Administrative Claims.**

Subject to the provisions of ARTICLE XII of this Plan, on, or as soon as reasonably practicable thereafter, the later of (i) the Effective Date, (ii) the 14th Business Day after such Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date such Administrative Claim becomes payable pursuant to any agreement between the holder of such Administrative Claim and the Liquidating Trustees, unless such Administrative Claim is released pursuant to this Plan or a Prior Order of the Bankruptcy Court, the holder of each Allowed Administrative Claim shall receive jointly and severally from the Estates and the Liquidating Trusts, as applicable, paid by the Trustee or the Liquidating Trustees, as applicable, in full satisfaction, release, and settlement of such Allowed Administrative Claim: (A) Cash equal to the unpaid portion of such Allowed Administrative Claim; or (B) in accordance with the terms of any

written agreement with the Trustee or the Liquidating Trustees regarding such Allowed Administrative Claim.

**2. Priority Tax Claims.**

Priority Tax Claims due and outstanding as of the Effective Date shall be paid in full from the Estate against which such Priority Tax Claims are Allowed on or as soon as practicable after the Effective Date.

Nothing in this Plan shall modify or affect the Lien rights of a Governmental Unit under applicable non-bankruptcy law. Whatever rights any Governmental Unit holds in any collateral or proceeds thereof shall remain in effect and shall not be altered by the Plan or the Confirmation Order until such allowed Secured Tax Claim is paid in full, at which time any and all corresponding Liens and encumbrances shall be fully discharged.

**3. Priority Non-Tax Claims.**

Except to the extent that a Claimant holding a Priority Non-Tax Claim has been paid prior to the Effective Date, agrees to a different treatment in writing with the Trustee, or is the subject of an order entered with respect to the treatment of such Priority Non-Tax Claim prior to the Effective Date, each Allowed Priority Non-Tax Claim, in full satisfaction and release of and exchange for such Claim, shall receive Cash in an amount equal to the Allowed amount of such Priority Non-Tax Claim in accordance with section 1129(a)(9) of the Bankruptcy Code, on (or as reasonably practicable thereafter) the later of: (i) the Effective Date; and (ii) the date such Priority Non-Tax Claim becomes an Allowed Claim; provided, however, that Allowed Priority Non-Tax Claims representing liabilities incurred in the ordinary course of business by the Trustee that are not yet due and payable as of the Effective Date shall not be paid on the Effective Date but rather shall be paid by the Liquidating Trustees, in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents establishing, such liabilities. Notwithstanding the foregoing, to the extent the Allowed amount of a Priority Non-Tax Claim asserting priority treatment under sections 507(a)(4) and (5) of the Bankruptcy Code exceeds the statutory cap applicable to such Claim, such excess shall be treated as a Class 2 General Unsecured Claim against the Estate against which such Priority Non-Tax Claim is Allowed.

**ARTICLE III  
CLASSIFICATION OF CLAIMS AND INTERESTS**

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of classes of Claims against and Interests in the Debtors. All Claims and Interests, except Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims, are placed in the Classes as set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims of the kinds specified in sections 507(a) of the Bankruptcy Code have not been classified, and their treatment is set forth in ARTICLE II above.

A Claim or Interest is placed in a particular Class only to the extent the Claim or Interest falls within the description of that Class and classified in other Classes to the extent that any portion

of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class only for the purpose of voting on, and receiving a Distribution pursuant to, the Plan to the extent such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date.

**1. Classification of Claims Against and Interests in the Debtors.**

- (a) Class 1: Secured Claims
  - (i) Class 1.A: Counsel Financial Secured Claim
  - (ii) Class 1.B: Secured Tax Claims
  - (iii) Class 1.C: Other Secured Claims
- (b) Class 2: General Unsecured Claims
  - (i) Class 2.A: General Unsecured Claims Against CP&A
  - (ii) Class 2.B: General Unsecured Claims Against Pettit
- (c) Class 3: Subordinated Claims
  - (i) Class 3.A: Subordinated Claims Against CP&A
  - (ii) Class 3.B: Subordinated Claims Against Pettit
- (d) Class 4: Equity Interests in CP&A

**ARTICLE IV  
IDENTIFICATION OF CLASSES OF CLAIMS AND INTERESTS  
IMPAIRED AND NOT IMPAIRED BY THE PLAN**

**1. Impaired Classes of Claims and Interests.**

Classes 1.B and 1.C are Unimpaired. Classes 1.A, 2.A, 2.B, 3.A, 3.B, and 4 are entitled to vote.

**ARTICLE V  
PROVISIONS FOR TREATMENT OF CLAIMS AND INTERESTS**

**1. Class 1 – Secured Claims.**

- (a) Class 1A – Counsel Financial Secured Claim

After the Effective Date, the Liquidating Trustees will treat the Counsel Financial Secured Claim pursuant to the terms of the Order Granting Joint Motion Under Bankruptcy Rule 9019 to Approve Compromise and Settlement Among Counsel Financial Entities, Mark and Robin Verstuylt, and Eric Terry, Chapter 11 Trustee for the Bankruptcy Estates of Christopher John Pettit and Chris Pettit & Associates, P.C., (together with the Settlement Agreement the “**Counsel Financial Settlement Order**” ECF No. 1424), including liquidating and collecting any remaining Collateral securing the Counsel Financial Secured Claim and distributing the proceeds pursuant to terms the Counsel Financial Settlement Order, less any amount permitted by the Counsel Financial Settlement Order.

Class 1A is Impaired and, therefore, the holder of the Counsel Financial Secured Claim will be entitled to vote to accept or reject the Plan.

(b) Class 1B – Secured Tax Claims

The Trustee or Liquidating Trustees shall pay all Allowed Secured Tax Claims in the ordinary course of business during the pendency of these Cases. Holders of any Allowed Secured Tax Claims outstanding as of the Effective Date shall be paid by the later of: (a) the Effective Date of the Plan or (b) the date immediately prior to the date on which such Allowed Claims would become delinquent under applicable non-bankruptcy law, together with interest at the applicable non-bankruptcy rate. Any Liens securing such Secured Tax Claims shall attach to the Cash proceeds from the sale of Collateral securing such Secured Tax Claims with the same extent, priority, and validity as in effect as of the Effective Date.

Class 1B is Unimpaired and, therefore, holders of Allowed Secured Tax Claims in Class 1B are deemed to have accepted the Plan.

(c) Class 1C – Other Secured Claim

Unless the holder of an Allowed Other Secured Claim agrees to less favorable treatment, the Trustee or Liquidating Trustees shall, at their option, on the later of the Effective Date or the date that the Other Secured Claim becomes an Allowed Claim: (i) pay the Claimant the amount of the Allowed Other Secured Claim in Cash or (ii) return the Collateral securing such Allowed Other Secured Claim to the holder in full satisfaction of such Allowed Claim.

Class 1C is Unimpaired and, therefore, holders of Allowed Other Secured Claim are deemed to have accepted the Plan.

**2. Class 2 – General Unsecured Claims.**

(a) Class 2A – General Unsecured Claims Against CP&A

Holders of Allowed General Unsecured Claims against the CP&A Estate shall receive Class 2A beneficial interests in the Liquidating CP&A Trust in full satisfaction of such Allowed General Unsecured Claim. Class 2A beneficial interests in the Liquidating CP&A Trust will be paid pro rata until paid in full with interest at the Plan Interest Rate from assets contributed to the Liquidating CP&A Trust by the CP&A Estate.

Class 2A is Impaired and, therefore, each holder of a General Unsecured Claim against will be entitled to vote to accept or reject the Plan.

(b) Class 2B – General Unsecured Claims Against Pettit

Holders of Allowed General Unsecured Claims against the Pettit Estate shall receive Class 2B beneficial interests in the Liquidating Pettit Trust in full satisfaction of such Allowed General Unsecured Claim. Class 2B beneficial interests in the Liquidating Pettit Trust will be paid pro rata until paid in full with interest at the Plan Interest Rate from assets contributed to the Liquidating Pettit Trust by the Pettit Estate.

Class 2B is Impaired and, therefore, each holder of a General Unsecured Claim will be entitled to vote to accept or reject the Plan.

**3. Class 3 – Subordinated Claims.**

(a) Class 3A – Subordinated Claims Against CP&A

Holders of Allowed Subordinated Claims against the CP&A Estate shall receive Class 3A beneficial interests in the Liquidating CP&A Trust in full satisfaction of such Allowed Subordinated Claim. Class 3A beneficial interests in the Liquidating CP&A Trust will be paid pro rata until paid in full with interest at the Plan Interest Rate from assets contributed to the Liquidating CP&A Trust by the CP&A Estate beginning immediately after Class 2A beneficial interests in the Liquidating CP&A Trust have been paid in full.

Class 3A is Impaired and, therefore, each holder of a Subordinated Claim against will be entitled to vote to accept or reject the Plan.

(b) Class 3B – Subordinated Claims Against Pettit

Holders of Allowed Subordinated Claims against the Pettit Estate shall receive Class 3B beneficial interests in the Liquidating Pettit Trust in full satisfaction of such Allowed Subordinated Claim. Class 3B beneficial interests in the Liquidating Pettit Trust will be paid pro rata until paid in full with interest at the Plan Interest Rate from assets contributed to the Liquidating Pettit Trust by the Pettit Estate beginning immediately after Class 2B beneficial interests in the Liquidating Pettit Trust have been paid in full.



Class 3B is Impaired and, therefore, each holder of a Subordinated Claim will be entitled to vote to accept or reject the Plan.

(c) Subordinated Claims may be Allowed by Order of the Bankruptcy Court. However, no Distribution of any kind will be made by either of the Liquidating Trustees on account of such Allowed Subordinated Claims unless and until all Allowed Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims, the Counsel Financial Secured Claim, Secured Tax Claims, Other Secured Claims, and General Unsecured Claims have been paid in accordance with the terms of this Plan. Thereafter, as Cash in excess of a Liquidating Trustee's Distributions to General Unsecured Creditors is available from either the CP&A Trust Assets or the Pettit Trust Assets, as applicable, the corresponding Liquidating Trustee may make *pro rata* Distributions to holders of Allowed Subordinated Claims with beneficial interest in the corresponding Liquidating Trust.

(d) Class 3 is Impaired and, therefore, holders of Allowed Subordinated Claims in Class 3 will be entitled to vote to accept or reject the Plan.

**4. Class 4 –Interests in CP&A.**

(a) No Distribution of any kind will be made by the Liquidating Trustees on account of Interests in CP&A unless and until all Allowed Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims, the Secured Claims, General Unsecured Claims, and Subordinated Claims have been paid in full in accordance with the terms of this Plan, including any and all interest accrued at the Plan Interest Rate and fees allowable under applicable law. Thereafter, as Cash in excess of the Liquidating CP&A Trustee's Distributions to Allowed General Unsecured Claims and Allowed Subordinated Claims is available from the CP&A Trust Assets, the Liquidating CP&A Trustee shall make *pro rata* Distributions to holders of Interests in CP&A. This beneficial interest in the Liquidating CP&A Trust is provided to holders of Interest on account of such Interests, and such Interests will be cancelled under the Plan. On and after the Effective Date, the Liquidating CP&A Trustee may take all steps necessary to dissolve CP&A pursuant to applicable non-bankruptcy law, in his business judgment, without further order of the Bankruptcy Court.

(b) Class 4 is Impaired by the Plan. Each holder of an Interest in CP&A is entitled to vote to accept or reject the Plan.

**ARTICLE VI  
ACCEPTANCE OR REJECTION OF PLAN**

**1. Classes Entitled to Vote.**

Holders of Claims in Impaired Classes of Claims and Interests are entitled to vote as a Class to accept or reject the Plan.

**2. Acceptance by Impaired Classes.**

Each Impaired Class of Claims that will (or may) receive or retain property or any interest in property under the Plan, shall be entitled to vote to accept or reject the Plan. An Impaired Class

of Claims shall have accepted their respective Plan if: (a) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan, and (b) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

**3. Classes Deemed to Accept Plan.**

Classes 1.B and 1.C Claims are not impaired under the Plan and, thus, not entitled to vote, as such Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

**4. Summary of Classes Voting on the Plan.**

The votes of holders of Claims in Classes 1.A, 2.A, 2.B, 3.A, 3.B, and 4 will be solicited with respect to the Plan.

If any Class of Claims entitled to vote on the Plan does not vote to accept their respective Plan, the Trustee may: (a) seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code; or (b) amend or modify the Plan in accordance with Sections 13.4 and 13.5 of the Plan. With respect to any Class of Claims or Interests that is deemed to reject the Plan, the Trustee shall request that the Bankruptcy Court confirm or “cramdown” the Plan pursuant to section 1129(b) of the Bankruptcy Code.

**ARTICLE VII**

**SETTLEMENT, EXCULPATION, INJUNCTION, AND RELATED PROVISIONS**

**1. Compromise and Settlement of Claims.**

(a) Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests, Causes of Action (where applicable), and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to, or in connection with the business or affairs of, or transactions with, the Debtors. The entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval of each of the foregoing compromises or settlements, including all other compromises and settlements provided for in the Plan. The Bankruptcy Court’s findings shall constitute its determination that such compromises and settlements are in the best interests of the Estates, Creditors, and other parties in interest, and are fair, equitable, and within the range of reasonableness.

(b) It is not the intent of the Trustee that confirmation of the Plan shall in any manner alter or amend any Prior Settlement. To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to their respective terms. Further, nothing in this

Section 7.1 shall constitute the modification of any transaction that has been approved or a compromise or settlement of a Claim of a Creditor that previously has obtained relief from the automatic stay pursuant to a Prior Order.

(c) Pursuant to the Settlement Agreement and Mutual Release dated May 29, 2024 approved in the Counsel Financial Settlement Order (the “**Counsel Financial Settlement Agreement**”), the Plan further releases Counsel Financial II, LLC and Counsel Financial Holdings, LLC and all of their officers, directors, employees, representatives, agents, affiliates, parents, subsidiaries, and professionals, and all of their respective successors and assigns (together, the “**CF Parties**”), from any causes of action, rights of action, Claims, demands, and obligations of any nature, including those arising under 11 U.S.C. §§ 506, 544, 545, 547, 548, 549, 550, 553, and 558, whether present or future, whether known or unknown, whether suspected or unsuspected, whether liquidated or unliquidated, whether matured or unmatured, which the Trustee, the Debtors, and the Estates now have, or can, shall or may have at any time against the CF Parties based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Cases, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, except for the obligations under the Counsel Financial Settlement Agreement and the Trustee’s, Liquidating Trustees’, and Estates’ rights to challenge liens and perfection as to assets or property that is not “Agreed Counsel Financial Collateral” (as this term is defined in the Counsel Financial Settlement Agreement) and which perfection of any lien on such assets or property is covered solely by the “Subject Language” (as this term is defined in the Counsel Financial Settlement Agreement) (together, the “**CF Releases**”). The Bankruptcy Court will have sole and exclusive jurisdiction to determine whether a claim or cause of action is colorable and shall have jurisdiction to adjudicate the underlying colorable claim or cause of action.

## 2. Exculpation.

(a) To the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby exculpated from any all Claims, Interests, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors or the Debtors’ Estates, whether known or unknown, asserted or unasserted, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, violations of federal or state laws or otherwise arising from conduct within the scope the Exculpated Parties’ duties, including Avoidance Actions, those Causes of Action based on veil piercing or alter ego theories of liability, contribution, indemnification, joint liability or otherwise that any Enjoined Party would have been legally entitled to assert in their own right (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Cases, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Exculpated Party, on the one hand, and any Enjoined Party, on the other hand, the restructuring of any Claim or Interest before or during the Cases, the negotiation, formulation, or preparation of the Disclosure Statement, this Plan and related agreements, instruments, and other documents (including the Plan Documents), the solicitation of votes with respect to this Plan, or any other act or omission, and/or any related agreements, instruments, or other documents, the pursuit of confirmation, any action or actions taken in furtherance of or consistent with the

administration or implementation of this Plan, or other property under this Plan, upon any other act or omission, transaction, agreement, event, or other occurrence arising from or relating to any of the foregoing, taking place after the Petition Date and on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of an Exculpated Party that constitutes actual fraud, gross negligence, or willful misconduct. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, any other applicable law or rules, or any other provisions of this Plan protecting such Exculpated Parties from liability.

(b) In connection with this Section 7.2, the Exculpated Parties are entitled to reasonably rely upon the opinions of their respective counsel, accountants, and other experts or professionals and such reliance, if reasonable, shall conclusively establish the absence of gross negligence or willful misconduct; *provided, however*, that a determination that such reliance is unreasonable shall not, by itself, constitute a determination regarding the existence of willful misconduct or gross negligence.

(c) If the holder of a Claim or Interest, or other Person brings an action, suit or proceeding covered by this Section 7.2 and does not prevail, such holder or other Person must pay the reasonable attorneys' fees and costs to the Exculpated Party. Moreover, as a condition to going forward with such action, suit, or proceeding, the holder of a Claim or Interest or other Person must, at the outset, provide appropriate proof and assurances of its capacity to pay the Exculpated Party's reasonable attorneys' fees and costs in the event the holder or other Person fails to prevail. The Exculpated Party shall have no obligation to pay, or provide appropriate proof and financial assurance of its capacity to pay, reasonable attorneys' fees and costs in the event that the holder of a Claim or Interest or other Person prevails in an such action suit or proceeding against such Exculpated Party.

### **3. Injunction.**

(a) Upon entry of the Confirmation Order, all Enjoined Parties are and shall be enjoined on and after the Effective Date until the Liquidating Trustees have performed all of their obligations under the Plan, from taking any actions to interfere with the implementation or consummation of the Plan.

(b) Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court, all Enjoined Parties are and shall be enjoined, on and after the Effective Date, with respect to any Claims and Equity Interests, from directly or indirectly (i) commencing, conducting, or continuing in any manner any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Estates or the property of the Estates, (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering, enforcing, or attempting to recover or enforce, by any manner or means, any judgment, award, decree, or order against the Estates or the property of the Estates, (iii) creating, perfecting, or otherwise enforcing in any manner, any security interest, lien or encumbrance of any kind against the Estates or Property of the Estates, (iv) asserting any right of setoff, directly or indirectly, against any obligation due to the Estates or against property or interests in property of the Debtors or the Estates, except to the limited extent permitted under Sections 553 and 1141 of the Bankruptcy Code, and (v) acting or proceeding in

any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan. The injunctions set forth herein shall extend to, and apply to any act of the type set forth in any of clauses (i)-(v) of the immediately preceding paragraph against any successors of the Estates, including the Liquidating Trusts, and their respective property and interests in property.

(c) Subject in all respects to Sections 7.2 and 7.3, no Enjoined Party may commence or pursue a claim or cause of action of any kind against any Exculpated Party based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Cases, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Exculpated Party, on the one hand, and any Enjoined Party, on the other hand, the restructuring of any Claim or Interest before or during the Cases, the negotiation, formulation, or preparation of the Disclosure Statement, this Plan and related agreements, instruments, and other documents (including the Plan Documents), the solicitation of votes with respect to this Plan, or any other act or omission, and/or any related agreements, instruments, or other documents, the pursuit of confirmation, any action or actions taken in furtherance of or consistent with the administration or implementation of this Plan, or other property under this Plan, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date arising from or relating to any of the foregoing or from the administration of the Plan or property to be distributed under the Plan, the wind down of the business of the Debtors or the administration of the Liquidating Trusts, or the transactions in furtherance of the foregoing without the Bankruptcy Court: (a) first determining, after notice and a hearing, that such claim or cause of action represents a colorable claim of any kind, including, but not limited to, actual fraud, gross negligence, or willful misconduct against a Exculpated Party and (b) specifically authorizing such Enjoined Party to bring such claim or cause of action against any such Exculpated Party. The Bankruptcy Court will have sole and exclusive jurisdiction to determine whether a claim or cause of action is colorable and, only to the extent legally permissible and as provided for in Sections 7.2 and 7.3 shall have jurisdiction to adjudicate the underlying colorable claim or cause of action. By accepting Distributions pursuant to this Plan, each holder of an Allowed Claim or Interest will be deemed to have affirmatively and specifically consented to be bound by this Plan, including, without limitation, the injunctions set forth in this section.

#### **4. Release of Liens.**

Except as otherwise provided in the Plan, the Counsel Financial Settlement Order, or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against property of the Estates, shall be fully released, and all of the Debtors' rights, title and interests in such property shall be distributed or transferred in accordance with this Plan.

**ARTICLE VIII**  
**MEANS FOR IMPLEMENTATION OF THE PLAN**

**1. Continued Joint Administration**

The Plan provides for continued joint administration of the Estates via the Liquidating Trusts, with the Estates and Liquidating Trusts paying all Allowed Administrative Claims jointly and severally. Pursuant to the Counsel Financial Settlement Order, any Deficiency Claim based on the Counsel Financial Secured Claim shall be Allowed jointly and severally against both the CP&A Estate and the Pettit Estate and shall receive beneficial interests in both Liquidating Trusts on account of such Allowed Deficiency Claim. Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed General Unsecured and Allowed Subordinated Claims Allowed against the CP&A Estate will remain separate, and no consolidation of the Estates will occur as to these Classes of Claims. Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed General Unsecured and Allowed Subordinated Claims Allowed against the Pettit Estate will remain separate, and no consolidation of the Estates will occur as to these Classes of Claims. To the extent any or any portion of any Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed General Unsecured or Allowed Subordinated Claims are Allowed against both the CP&A Estate and the Pettit Estate, the duplicative portion of such Allowed Claim shall be reduced, and its beneficial interest in both the Liquidating Trusts shall automatically be reduced, dollar for dollar, on account of all Distribution such Allowed Claim actually receives from either Liquidating Trust without further order of the Bankruptcy Court.

**2. Creation of the Liquidating Trusts.**

On the Effective Date, the Trustee shall take all actions consistent with this Plan as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by under and in connection with this Plan and any Prior Order. Upon the Effective Date, the two Liquidating Trusts shall be established, which shall be administered and distributed pursuant to the provisions of this Plan and (i) as to the Liquidating CP&A Trust, the provisions of Liquidating CP&A Trust Agreement, and (ii) as to the Liquidating Pettit Trust, the provisions of the Liquidating Pettit Trust Agreement. The Liquidating Trusts shall exist from and after the Effective Date, with all of the rights and powers set forth in the Liquidation Trust Agreements.

The Liquidating CP&A Trustee shall be deemed the CP&A Estate's representative in accordance with section 1123 of the Bankruptcy Code and shall have the purpose of (i) holding the CP&A Trust Assets; and (ii) distributing the proceeds related to the liquidation of such CP&A Trust Assets, net of all claims, expenses, charges, liabilities, and obligations of the Liquidating CP&A Trust, to the beneficiaries in accordance with the terms of this Plan and the Liquidating CP&A Trust Agreement.

The Liquidating Pettit Trustee shall be deemed the Pettit Estate's representative in accordance with section 1123 of the Bankruptcy Code and shall have the purpose of (i) holding the Pettit Trust Assets; and (ii) distributing the proceeds related to the liquidation of such Pettit Trust Assets, net of all claims, expenses, charges, liabilities, and obligations of the Liquidating

Pettit Trust, to the beneficiaries in accordance with the terms of this Plan and the Liquidating Pettit Trust Agreement.

The Liquidating Trusts are intended to qualify as liquidating trusts pursuant to Treasury Regulation § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business. The Liquidating Trustees shall be entitled to a fee of three percent (3%) of all disbursements made from the Liquidating Trusts and reimbursement of reasonable and necessary out of pocket expenses, without further Bankruptcy Court approval.

**3. Vesting of Assets in the Liquidating Trusts.**

(a) Except as otherwise set forth in the Plan, in the Liquidating Trust Agreements, any supplement(s) to the Plan, or in the Confirmation Order, all CP&A Assets not otherwise sold or released under a Prior Order shall be conveyed and assigned to the Liquidating CP&A Trust including, among other assets, the Reserved CP&A Causes of Action, any interest or rights of the CP&A Estate or Trustee under any Executing Plaintiff Agreement, and any Cash in the CP&A Estate. The CP&A Trust Assets shall be deemed transferred to and vested in the Liquidating CP&A Trust on the Effective Date, and the Liquidating CP&A Trust shall assume liability for Allowed General Unsecured Claims and Allowed Subordinated Claims that are Allowed against the CP&A Estate, and all Executing Plaintiff Agreements, but only to the extent provided by this Plan and the Liquidating CP&A Trust Agreement. The Liquidating CP&A Trust shall assume all unpaid Allowed Administrative Expense Claims jointly and severally with the Liquidating Pettit Trust.

(b) Except as otherwise set forth in the Plan, in the Liquidating Trust Agreements, any supplement(s) to the Plan, or in the Confirmation Order, all Pettit Assets not otherwise sold or released under a Prior Order shall be conveyed and assigned to the Liquidating Pettit Trust including, among other assets, the Reserved Pettit Causes of Action, any interest or rights of the Pettit Estate or Trustee under any Executing Plaintiff Agreement, and any Cash in the Pettit Estate. The Pettit Trust Assets shall be deemed transferred to and vested in the Liquidating Pettit Trust on the Effective Date, and the Liquidating Pettit Trust shall assume liability for Allowed General Unsecured Claims and Allowed Subordinated Claims that are Allowed against the Pettit Estate, and all Executing Plaintiff Agreements, but only to the extent provided by this Plan and the Liquidating Pettit Trust Agreement. The Liquidating Pettit Trust shall assume all unpaid Allowed Administrative Expense Claims jointly and severally with the Liquidating CP&A Trust.

(c) The assets comprising the Liquidating Trust Assets will be treated for tax purposes as being transferred by the Estates to the Liquidating Trusts' beneficiaries pursuant to the Plan in exchange for their Allowed Claims (or a portion thereof) and then by the Liquidating Trust beneficiaries to the Liquidating Trusts in exchange for the interests in the Liquidating Trusts. The Liquidating Trust beneficiaries shall be treated as the grantors and owners of the Liquidating Trusts. Upon the transfer of the CP&A Trust Assets, the Liquidating CP&A Trust shall succeed to all of the CP&A Estate's rights, title and interest in the CP&A Trust Assets, and the Debtors will have no further interest in or with respect to the CP&A Trust Assets. Upon the transfer of the Pettit Trust Assets, the Liquidating Pettit Trust shall succeed to all of the Pettit Estate's rights, title and interest in the Pettit Trust Assets, and the Debtors will have no further interest in or with respect

to the Pettit Trust Assets. **The Reserved CP&A Causes of Action will be transferred to the Liquidating CP&A Trust and the Reserved Pettit Causes of Action will be transferred to the Liquidating Pettit Trust subject to the terms of the Executing Plaintiff Agreements and the Executing Plaintiff Settlement Order, including the right of Executing Plaintiffs to receive a share of the proceeds from certain Reserved Causes of Action as detailed in the applicable Executing Plaintiff Agreement.** In pursuing the Reserved Causes of Action transferred to the Liquidating Trusts, the Liquidating Trustees shall be entitled to the tolling provisions provided under section 108 of the Bankruptcy Code, and shall succeed to the Trustee's rights with respect to the time periods in which any of the Reserved Causes of Action may be brought under section 546 of the Bankruptcy Code.

**4. Reserved Causes of Action.**

(a) Subject to the provisions of this Plan, the Liquidating Trustees, on behalf of the Liquidating Trusts, shall take possession of any and all Assets, including the Reserved Causes of Action. The Reserved CP&A Causes of Action are reserved for the benefit of and assigned to the Liquidating CP&A Trust. Upon the Effective Date and thereafter, the Liquidating CP&A Trustee, will use, conserve, protect, settle, collect, resolve, release, abandon, or otherwise liquidate all of the Reserved CP&A Causes of Action as deemed to be in the best interests of the beneficiaries of the Liquidating CP&A Trust and as otherwise provided under the terms of the Plan and subject to the provisions of the Liquidating CP&A Trust Agreement. The Reserved Pettit Causes of Action are reserved for the benefit of and assigned to the Liquidating Pettit Trust. Upon the Effective Date and thereafter, the Liquidating Pettit Trustee, will use, conserve, protect, settle, collect, resolve, release, abandon, or otherwise liquidate all of the Reserved Pettit Causes of Action as deemed to be in the best interests of the beneficiaries of the Liquidating Pettit Trust and as otherwise provided under the terms of the Plan and subject to the provisions of the Liquidating Pettit Trust Agreement. The Reserved Causes of Action will be transferred to the Liquidating Trusts subject to the terms of the Executing Plaintiff Agreements and the Executing Plaintiff Settlement Order, including the right of Executing Plaintiffs to receive a share of the proceeds from certain Reserved Causes of Action as detailed in the applicable Executing Plaintiff Agreement.

**THE DESCRIPTIONS OF POTENTIAL CAUSES OF ACTION BELOW ARE NOT INTENDED TO BE A DEMAND ON ANY OF THE POTENTIAL DEFENDANTS IN SUCH CAUSES OF ACTION AND ARE NOT AN INDICATION OF WHETHER A MERITORIOUS CAUSE OF ACTION EXISTS.**

**THE DESCRIPTIONS ARE ALSO NOT INTENDED TO LIMIT CLAIMS OR CAUSES OF ACTION WHICH MAY BE ASSERTED AGAINST ANY POTENTIAL DEFENDANT.**

**NEVERTHELESS, BY THE DESCRIPTIONS BELOW, THE TRUSTEE EXPRESSLY, SPECIFICALLY AND UNEQUIVOCALLY RESERVE ALL RIGHTS IN ALL CAUSES OF ACTION, INCLUDING THE RESERVED CAUSES OF ACTION DESCRIBED BELOW. ANY POTENTIAL DEFENDANT WHO IS ALSO A CREDITOR IN THESE CASES SHOULD ASSUME THAT A CAUSE OF ACTION MAY BE PURSUED BY THE TRUSTEE AND THE LIQUIDATING TRUSTEES AND ACT ACCORDINGLY. UNDER NO CIRCUMSTANCES SHOULD ANY POTENTIAL DEFENDANT LISTED BELOW,**



**OR ANY COURT WITH COMPETENT JURISDICTION TO ADJUDICATE THE CAUSES OF ACTION DESCRIBED BELOW, RELY ON THE FOLLOWING STATEMENTS AS A FULL AND COMPLETE DESCRIPTION OF ANY AND ALL CAUSES OF ACTION OR FOR ANY OTHER PURPOSE.**

Unless expressly waived or released, all Causes of Action, including, without limitation, the Reserved Causes of Action described below, will be reserved under the Plan and assigned to the Liquidating Trusts as provided for in this Plan and the Liquidating Trust Agreements.

(b) Claims Against Creditors. The Trustee also reserves all Causes of Action listed in the Statement of Financial Affairs and the Disclosure Statement against the Creditors except for any expressly released under the Plan.

(c) Pending Litigation. The Trustee also reserves any and all claims, defenses or counterclaims that have been asserted in any lawsuit pending as of the Confirmation Hearing, including any lawsuits or proceedings in which the Trustee asserts affirmative claims against any Creditor or other third party, with all such claims, defenses of counterclaims assigned to the Liquidating Trusts under the terms of this Plan and the Liquidating Trust Agreements.

**5. Preservation of Rights of Action; Settlement.**

(a) Subject to the terms of this Plan, the orders of the Bankruptcy Court, and any Prior Order, all Causes of Action, including the Reserved Causes of Action, and Estate Defenses shall be deemed transferred to and vested in the Liquidating Trusts as of the Effective Date. Thereafter, (i) subject to the terms of the Liquidating CP&A Trust Agreement, the Liquidating CP&A Trustee shall be vested with authority to assert, prosecute and otherwise resolve the Reserved CP&A Causes of Action and Estate Defenses; and (ii) subject to the terms of the Liquidating Pettit Trust Agreement, the Liquidating Pettit Trustee shall be vested with authority to assert, prosecute and otherwise resolve the Reserved Pettit Causes of Action and Estate Defenses.

(b) At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in this Plan to the contrary, the Trustee may settle some or all of the Causes of Action or the Disputed Claims subject to obtaining Bankruptcy Court approval. The proceeds from the settlement of any Causes of Action shall be held as property of the Estates and vested in the Liquidating Trusts on the Effective Date.

**6. Administrative Acts.**

(a) Cancellation of Interests. All Interests in CP&A shall be deemed cancelled and annulled on the Effective Date, with the Holders of Interests receiving the treatment provided in the Plan. Holders of Interests shall receive no distributions on account of such Interests except as set forth in this Plan. As soon as practicable following the Effective Date, the Liquidating CP&A Trustee may take steps necessary to file such documents with the applicable agencies, taxing authorities and administrative offices to effectuate the dissolution of CP&A.

(b) Assignment and Abandonment of Assets. The Liquidating Trustees will retain the Liquidating Trust Assets and distribute those assets as detailed in this ARTICLE VIII

pursuant to the Liquidating Trust Agreements. The Liquidating Trustees may coordinate, assign, co-prosecute, or defer prosecution of any Reserved Cause of Action to the United States Attorney, United States Department of Justice, or any agent, official, trustee, administrator or similar party appointed in *United States v. Pettit*, Case No. 22-CR-00653(1)-OLG or other legal action related to the Debtors. The Liquidating Trustees may abandon any of the Liquidating Trust Assets on or after the Effective Date without Bankruptcy Court approval, but only under the terms of the Liquidating Trust Agreements.

(c) Retention of Professionals; Elimination of Fee Applications. In accordance with the Liquidating Trust Agreements, the Liquidating Trustees are authorized to retain professionals, including Eric Terry Law, PLLC, any Professional, or any other professional, to assist him in the administration of the Liquidating Trusts. No professional representing the Liquidating Trusts is required to apply to the Bankruptcy Court for approval of such professional's retention, compensation, or reimbursement.

(d) Payment of Quarterly Fees. The Trustee or Liquidating Trustees, as applicable, shall pay the U.S. Trustee's quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6). Any fees due as of the Confirmation Date shall be paid in full on the Effective Date from any available Cash on hand. After the Confirmation Date, the Liquidating Trustees shall pay quarterly fees as they accrue until these Cases are closed. The Liquidating Trustees shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports for each quarter, or portion thereof, while any of these Cases remain open.

(e) Bond; Insurance. The Liquidating Trustees are authorized, but not required, to obtain bonds or insurance that, in the Liquidating Trustees' business judgment, would be beneficial to the holders of interests in the Liquidating Trusts.

(f) Final Decree. When appropriate, the Liquidating Trustees shall seek a final decree from the Bankruptcy Court, concerning these Cases. Upon entry of the final decree, the Liquidating Trustees and their professionals will be forever discharged and released from all powers, duties, responsibilities, and liabilities pursuant to the Plan, other than those attributable to the gross negligence or willful misconduct of the Liquidating Trustees. The Liquidating Trustees shall file a motion for entry of final decree pursuant to Bankruptcy Rule 3022 promptly upon administration in full of the Claims and Liquidating Trust Assets as set forth in the Plan and the Liquidating Trust Agreements.

## **7. Jurisdiction of and Access to the Bankruptcy Court.**

The Bankruptcy Court shall retain jurisdiction over the Liquidating Trustees, the Liquidating Trust Assets, including applicable Reserved Causes of Action. Additionally, the use by the Trustee of Rule 2004 of the Federal Rules of Bankruptcy Procedure to investigate potential claims and causes of action assigned to the Trustee is necessary and appropriate to the administration of the estate and implementation and consummation of the Plan. Thereafter, the Liquidating Trustees shall be entitled to the full benefit of, and to exercise all powers incident to, the jurisdiction retained by the Bankruptcy Court pursuant to the Plan, including, without limitation, to seek any order, writ, or other process necessary or appropriate to enforce, construe, perform, implement, consummate, or apply the Plan.

**8. Claims Administration.**

The Liquidating Trustees and any other party in interest permitted under section 502(a) of the Bankruptcy Code and Rule 3007 of the Bankruptcy Rules shall have the power and authority to file Claim Objections on any legal or equitable basis permitted under such provisions of the Bankruptcy Code and Bankruptcy Rules. Only the Liquidating Trustees shall have the power to (a) seek to subordinate or recharacterize any Claim on any legal or equitable basis; (b) assert any right of setoff or recoupment, including without limitation, any such right pursuant to section 553 of the Bankruptcy Code; (c) to assert any and all Estate Defenses, whether legal or equitable, including any affirmative defenses or setoff right; and (d) to assert any counterclaim against any Claim, whether arising out of the same or different transactions. In the event that a Claim includes personal injury tort or wrongful death claims, the Liquidating Trustees may seek to establish procedures for the efficient resolution of such Claims in a manner consistent with 28 U.S.C. § 157(b)(5) by filing a motion with the Bankruptcy Court for approval of such procedures; *provided*, however, that such procedures shall not in any way alter, amend, or otherwise modify the terms and conditions of any Insurance Contracts. Except as otherwise provided in the Liquidating Trust Agreements, only the Liquidating Trustees shall have the power to settle Claim Objections, provided, however, that the Liquidating Trustees gives adequate notice and an opportunity for a hearing as required under applicable Bankruptcy Rules, the Liquidating Trust Agreement.

**ARTICLE IX  
PROVISIONS GOVERNING DISTRIBUTION**

**1. Generally.**

The Plan and the Liquidating Trust Agreements shall govern the Liquidating Trustees' obligations and discretion relating to the administration and Distribution of the Liquidating Trust Assets.

**2. Source of Distributions.**

Distributions to holders of Allowed Class 2 General Unsecured Claims and, to the extent such Cash is available after payment in full, to Allowed Class 3 Subordinated Claims and Allowed Class 4 Interest in CP&A, shall be made by the Liquidating Trustees from the corresponding Liquidating Trust Assets established under ARTICLE VIII, and as set forth in the Plan.

**3. Means of Cash Payment.**

Except as otherwise determined by the Liquidating Trustees, Distributions under this Plan shall be made in Cash by check, wire or ACH transfer in U.S. funds, or by other means agreed to by the payor and payee or, absent agreement, such commercially reasonable manner as the payor determines in its sole discretion.

**4. Delivery of Distributions.**

Deliveries of Distributions to the holders of Allowed Claims shall be made at the address set forth on the respective proofs of claim filed in these Cases. If no proof of claim is filed, Distributions on account of Allowed Claims shall be made to the Claimant at the address reflected in the Schedules or as agreed upon between the Liquidating Trustees and such respective Claimant. If any Distribution is returned as undeliverable, no further payment shall be made on account of such Allowed Claim unless and until the Liquidating Trustees are notified in writing of such Claimant's proper current address, at which time all missed payments shall be made to such Claimant. All claims for undeliverable payments shall be made on or before the first anniversary of the attempted payment. After such date, all undelivered Distributions shall be deemed as Unclaimed Property and may revert to the Liquidating Trust Assets held by the Liquidating Trustees, and the Claim of any holder with respect to such property shall be forever barred.

**5. Time Bar to Cash Payments.**

Distributions issued by check shall be null and void if not cashed within one hundred twenty (120) days of the date of issuance thereof. Requests for reissuance of any check shall be made in writing directly to the Liquidating Trustees by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before ninety (90) days after the date of issuance of such check. After such date, all Claims in respect of void checks shall be forever barred.

**6. Claims Payable by Third Parties.**

Except as expressly provided for in this Plan or as the Liquidating Trustees may decide in exercising their business judgment and good faith, no Distribution under the Plan shall be made on account of any Claim that is payable pursuant to any agreement or applicable law making a Person other than the Liquidating Trusts liable, including, without limitation, any lease, sub-lease, license agreement, promissory note, indemnity, guaranty, understanding, or Insurance Contracts until the holder of such Claim has exhausted all remedies with respect to such co-obligor, co-lessor, indemnitor, or Insurer. To the extent that one or more of the applicable non-debtor payors agrees to satisfy a Claim, whether in full or in part, then immediately upon such satisfaction, such Claim may be expunged to the extent of such satisfaction without a Claim Objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

**7. Applicability of Insurance Contracts.**

Neither the automatic stay nor any injunction shall limit or inhibit the ability of such Claimant to pursue a recovery from any Insurer on account of such Claim, provided that such recovery must exclude any self-insured retention of the Debtors, which are mere General Unsecured Claims to be treated in accordance with other provisions of this Plan. Except as otherwise provided in the Plan, Distributions to holders of Allowed Claims covered by an Insurance Contract shall be in accordance with the provisions of any applicable Insurance Contract or applicable non-bankruptcy law. Nothing contained in the Plan shall constitute or be deemed a waiver of any cause of action that the Trustee, the Estates, Liquidating Trustees or any Person may hold against any other Person, including Insurers under Insurance Contracts, nor shall anything

contained in the Plan or Agreement constitute or be deemed a waiver by such Insurers of any rights or defenses, including coverage defenses.

**8. Withholding and Reporting Requirements.**

The Liquidating Trustees shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all Distributions made under this Plan shall be subject to any such withholding and reporting requirements. The Liquidating Trustees shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

**ARTICLE X  
TREATMENT OF EXECUTORY CONTRACTS, UNEXPIRED  
LEASES, AND OTHER AGREEMENTS**

**1. Assumption/Rejection.**

(a) *Rejection of Remaining Contracts.* On the Effective Date, and to the extent permitted by applicable law, every Executory Contract and Unexpired Lease is rejected unless such Executory Contract or Unexpired Lease: (a) has been expressly assumed pursuant an order of the Bankruptcy Court; (b) is expressly identified in this Plan or the Confirmation Order as an Assumed Contract; or (c) is expressly made the subject of a pending motion to assume filed on or before the Confirmation Hearing. This Plan shall be treated as a motion to reject all remaining Executory Contracts or Unexpired Leases other than those in (a)-(c) of the preceding sentence. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of all such rejections and assumptions and assignments pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

(b) Nothing in this Section 10.1 shall modify any assumption or rejection approved in a Prior Order.

**2. Bar to Rejection Claims.**

Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract or an Unexpired Lease shall be forever barred and shall not be enforceable against the Debtors, their Estates or the Liquidating Trusts, unless a proof of claim is filed by the later of: (a) the Claims Bar Date; and (b) thirty (30) days after the effective date of such rejection.

**3. Rejection Claims.**

Unless the Liquidating Trustees and Creditor agree to less favorable terms, any Rejection Claim which is timely filed and Allowed shall be treated as Class 2 General Unsecured Claims, subject to the provisions of section 502(g) of the Bankruptcy Code. Nothing contained herein shall be deemed an admission by the Trustee or Liquidating Trustees, as applicable, that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Trustee or Liquidating Trustees, as applicable, of any Objections to any such Claim if asserted.

**4. Reservation of Rights.**

Neither the exclusion nor inclusion of any contract or lease in the Plan, Disclosure Statement or Plan Supplement, nor anything contained in the Plan, shall constitute an admission by the Trustee or the Liquidating Trustees that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtors have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Trustee or the Liquidating Trustees, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease.

**ARTICLE XI  
PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT,  
AND UNLIQUIDATED CLAIMS**

**1. Objections to Claims.**

(a) From and after the Effective Date, except as set forth in Section VIII above, the Liquidating Trustees shall have the right to file, settle, compromise, withdraw, or litigate to Final Order any Objections to any Claim or seek to subordinate any Claim.

(b) As soon as practicable, but no later than the Claims Objection Deadline (as may be extended from time to time), the Liquidating Trustees may file any Objection with the Bankruptcy Court and serve such Objections on the Creditors holding the Claims to which Objections are made. Nothing contained herein shall limit the right of the Liquidating Trustees or any other party in interest to object to Claims, if any, filed or amended after the Claims Objection Deadline. The Claims Objection Deadline may be extended by the Bankruptcy Court upon motion by the Liquidating Trustees with adequate notice and a hearing.

(c) Any proof of claim filed more than forty-five (45) days after the Claims Bar Date shall be of no force and effect and need not be objected to by the Liquidating Trustees.

(d) To the extent any Claimant receives a recovery related to any Claim from one of the Liquidating Trusts, the Claimant's beneficial interest in both the Liquidating Trusts shall automatically adjust, dollar for dollar, to account for such recovery without further order of the Bankruptcy Court and need not be objected to by the Liquidating Trustees.

(e) To the extent any Claimant receives a recovery related to any Claim from a source other than the Estates or the Liquidating Trusts, including restitution and recoveries as "crime victims" within the meaning of the Crime Victims' Rights Act (the "CVRA"), 18 U.S.C. § 3771 in *United States v. Pettit*, Case No. 22-CR-00653(1)-OLG, the Liquidating Trustees may seek to reduce the Claimant's Allowed Claim by the amount such restitution or similar recovery.

**2. Distributions on Account of Disputed Claims.**

(a) No Distribution shall be made on account of a Disputed Claim until such Claim is Allowed. Until a Disputed Claim becomes Allowed by a Final Order, or settled by the

Liquidating Trustees, such Claim shall be treated as a Disputed Claim for purposes of estimates, allocations, and Distributions under the Plan. Any Claim based on a contingent right shall continue to be subject to section 502(e) of the Bankruptcy Code.

(b) Except as set forth in Section VIII above, the Liquidating Trustees shall have the sole right at any time and in each Liquidating Trustee's discretion to settle any Claim or request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any Objection has been made to such Claim or whether the Bankruptcy Court or any other court with competent jurisdiction has ruled on any Objection, *provided, however*, that the Liquidating Trustees may not settle, without Bankruptcy Court approval, any objection to a Claim where the asserted Claim amount exceeds \$250,000, unless the proposed Allowed Claim amount is no more than 10% greater than the asserted Claim amount. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time until there is a Final Order relating to the Objection, including during the pendency of any appeal related to any such Claim or Claim Objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Liquidating Trustees may elect to pursue any supplemental proceedings to object to any ultimate Distribution on such Claim. All of the aforementioned Objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

### **3. Allowance of Disputed Claims.**

This Section 11.3 shall apply to all Disputed Claims. Nothing contained in the Plan, Disclosure Statement, or Confirmation Order shall change, waive or alter any requirement under applicable law that the holder of a Disputed Claim must file a timely proof of claim, and the Disputed Claim of any such Creditor who is required to file a proof of claim and fails to do so shall receive no Distribution through the Plan. The adjudication and liquidation of Disputed Claims is a determination and adjustment of the debtor/creditor relationship, and is therefore, except as provided under 28 U.S.C. § 157(b)(5), an exercise of the Bankruptcy Court's equitable power to which the legal right of trial by jury is inapplicable. The holder of any Disputed Claim shall not have a right to trial by jury before the Bankruptcy Court in respect of any such Claim, except as provided under 28 U.S.C. § 157(b)(5). Exclusive venue for any Disputed Proceeding shall be in the Bankruptcy Court. Disputed Claims shall each be determined separately, except as otherwise ordered by the Bankruptcy Court. Texas Rule of Civil Procedure 42 and Federal Rule of Civil Procedure 23 shall not apply to any Disputed Proceeding. The Liquidating Trustees shall retain all rights of removal to federal court.

### **4. General Unsecured Claims.**

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated, and not contingent shall be reduced by the amount, if any, that was paid by the Debtors or Trustee prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude

the Liquidating Trustees from paying Claims that the Debtors or Trustee were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

**5. Allowance of Certain Claims.**

All Disputed Claims shall be liquidated and determined as follows:

(a) Application of Adversary Proceeding Rules. Unless otherwise ordered by the Bankruptcy Court, any Objection to a Disputed Claim shall be treated as a contested matter subject to Bankruptcy Rule 9014. However, any party may move the Bankruptcy Court to apply the rules applicable to adversary proceedings to any Claim Objection. The Liquidating Trustees may, at its election, make and pursue any Objection to a Claim in the form of an adversary proceeding.

(b) Scheduling Order. Unless otherwise ordered by the Bankruptcy Court, or if the Objection is pursued as an adversary proceeding, a scheduling order shall be entered as to each Objection to a Claim. The scheduling order may include (i) discovery cut-off, (ii) deadlines to amend pleadings, (iii) deadlines for designation of and objections to experts, (iv) deadlines to exchange exhibit and witness lists and for objections to the same, and (v) such other matters as may be appropriate.

(c) Mediation. The Bankruptcy Court may order the parties to mediate in connection with any Objection to a Claim. The Liquidating Trustees may include a request for mediation in their objection, and request that the Bankruptcy Court require mediation as a part of the Scheduling Order.

(d) Alternative Resolution Procedures. In addition to the foregoing, to address any personal injury tort Claims, the Liquidating Trustees may seek approval of an alternative claims administrative procedure to administer Claims more expeditiously, provided that such procedures are approved by the Bankruptcy Court, after notice and a hearing, and provided further that such procedures are consistent with 28 U.S.C. § 157(b)(5).

(e) Estimation and Reserves. Prior to making Distributions to holders of Allowed Class 2 General Unsecured Claims, the Liquidating Trustees shall establish a reserve for Disputed Claims, including General Unsecured Claims that are contingent upon future events. The Liquidating Trustees may, but are not required to, seek approval from the Bankruptcy Court of amounts necessary to be reserved for Disputed Claims, including estimation of one or more Disputed Claims under section 502(c) of the Bankruptcy Code.

**6. Offsets and Defenses.**

The Liquidating Trustees shall be vested with and retain all Estate Defenses against any Claim, including without limitation all rights of setoff or recoupment and all counterclaims against any Claimant. Assertion of any Estate Defenses by the Liquidating Trustees shall constitute a “core” proceeding to the extent allowed under applicable law.



**7. Compliance with Tax Requirements/Allocations.**

The Liquidating Trustees shall comply with all tax withholding and reporting requirements imposed by any Governmental Unit, and all Distributions pursuant hereto shall be subject to applicable withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Liquidating Trustees shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements. The Liquidating Trustees may allocate all Distributions made under the Plan in compliance with all applicable sales tax, wage garnishments, alimony, child support, other spousal awards, liens, and encumbrances.

**8. Expunging of Certain Claims.**

Any Claim that is Scheduled as being contingent, unliquidated, or disputed or in the amount of \$0.00, and for which no proof of claim has been timely filed, shall be deemed Disallowed and such Claim may be expunged without the necessity of filing an Objection and without any further notice to or action, order, or approval of the Bankruptcy Court.

**ARTICLE XII**

**ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS**

**1. Professional Fee Claims.**

(a) On the Effective Date, the Trustee or Liquidating Trustees, as applicable, shall pay all amounts owing to Professionals for all outstanding amounts relating to prior periods through the Effective Date approved via any Professional Fee Order; *provided*, however, that Professionals shall continue to prepare fee applications in accordance with the Bankruptcy Code and any applicable Professional Fee Order (or such other order or orders as may be applicable to a Professional) for services rendered and expenses incurred up to the Effective Date. The CP&A Trust Assets and the Pettit Trust Assets shall be used jointly and severally by the Liquidating Trustees to pay the remaining Fee Claims owing to the Professionals following the entry of a Professional Fee Order.

(b) All final requests for compensation or reimbursement of Fee Claims pursuant to sections 327, 328, 330, 331, 363, 503(b), or 1103 of the Bankruptcy Code for services rendered to or on behalf of the Trustee prior to the Effective Date must be filed and served on the Liquidating Trustees and its counsel no later than forty-five (45) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other Persons for compensation or reimbursement of expenses must be filed and served on the Liquidating Trustees, their counsel, and the requesting Professional or other Person no later than twenty-one (21) days (or such longer period as may be allowed by order of the Bankruptcy Court or agreed to by the parties) after the date on which the applicable application for compensation or reimbursement was served.

**2. Administrative Claims.**

The Confirmation Order will establish the Administrative Claim Bar Date. Holders of asserted Administrative Claims, other than Fee Claims, claims for U.S. Trustee fees under 28

U.S.C. § 1930, Administrative Tax Claims, other claims under title 28 of the United States Code asserted as Administrative Claims, and administrative ordinary course liabilities, shall file with the Bankruptcy Court a request for the allowance and payment of such Administrative Claim on or before the Administrative Claims Bar Date or forever be barred from doing so. A notice prepared by the Trustee or the Liquidating Trustees, as applicable, will set forth such date and constitute notice of this Administrative Claim Bar Date. The Trustee or the Liquidating Trustees, as the case may be, shall have no less than twenty-one (21) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Claims Bar Date to review and object to such Administrative Claims before a hearing for determination of allowance of such Administrative Claims.

**3. Administrative Ordinary Course Liabilities.**

Holders of Administrative Claims that are based on liabilities incurred in the ordinary course of the applicable Debtors' business (other than Claims of a Professional Person for Fees or of Governmental Units for taxes and for interest and/or penalties related to such taxes) shall not be required to file any request for payment of such Claims. Such Administrative Claims, unless disputed in writing by the Trustee or the Liquidating Trustees, as applicable, shall be assumed and paid by the Trustee (before the Effective Date) or Liquidating Trustees (on or after the Effective Date), in Cash, pursuant to the terms and conditions of the particular transaction giving rise to such Administrative Claim.

**4. Administrative Tax Claims.**

All requests for payment of Administrative Claims by a Governmental Unit (and for interest and/or penalties related to such taxes) for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date, and for which no bar date has otherwise been previously established, must be filed and served on the Liquidating Trustees and any other party specifically requesting a copy in writing on or before the later of (a) thirty (30) days following the Effective Date; or (b) one hundred and twenty (120) days following the filing of the tax return for such taxes for such tax year or period with the applicable Governmental Unit. Any holder of any such Claim that is required to file a request for payment of such taxes and does not file and properly serve such a Claim by the applicable bar date shall be forever barred from asserting any such Claim against the Estates, the Liquidating Trusts, or the Liquidating Trust Assets, regardless of whether any such Claim is deemed to arise prior to, on, or subsequent to the Effective Date. Any interested party desiring to object to an Administrative Claim for taxes must file and serve its objection on counsel to the Liquidating Trustees and the relevant Governmental Unit no later than ninety (90) days after the Governmental Unit files and serves its application.

**ARTICLE XIII**  
**CONFIRMATION AND CONSUMMATION OF THE PLAN**

**1. Conditions Precedent to Confirmation and Effectiveness.**

The Plan shall not become effective until the following conditions shall have been satisfied or waived by the Trustee:

(a) the Confirmation Order shall have been entered in form and substance acceptable to the Trustee and the Committee and become a Final Order and has not been stayed, modified, or vacated on appeal;

(b) the Plan Supplement, including the Liquidating Trust Agreements, has been filed;

(c) the appointment of the Liquidating Trustees shall have been authorized, approved and confirmed by order of the Bankruptcy Court and the Liquidating Trust Agreements shall have been executed under applicable non-bankruptcy law;

(d) all of the foregoing conditions have been satisfied or waived on or before thirty days after the Confirmation Date; and

(e) a notice of the Effective Date shall have been filed by the Trustee or the Liquidating Trustees and thereafter served upon all parties requesting such notice in these Cases.

The Trustee may waive the occurrence of, or modify, any of the foregoing conditions precedent to the Effective Date (except for entry of the Confirmation Order in Section 13.1(a)). Any such waiver may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

**2. Revocation of Plan.**

The Plan may be revoked or withdrawn at any time before the Effective Date, but only by the Trustee. If the Trustee revokes or withdraws this Plan, or if confirmation of this Plan does not occur, then, (i) this Plan shall be deemed null and void; and (ii) nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Estates, as the case may be, or any other Person or to prejudice in any manner the rights of the Trustee or person in any further proceedings involving the Liquidating Trustees.

**3. Substantial Consummation.**

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

**4. Non-Material Modifications.**

The Trustee, or Liquidating Trustees, as applicable, may, with approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Trustee or Liquidating Trustees, as applicable may undertake such nonmaterial modification pursuant to this Section 13.4 insofar as it does not adversely change the treatment of the Claim of any Creditor or the interest of any Interest holder who has not accepted in writing the modification.

**5. Material Modifications.**

Modifications of this Plan may be proposed in writing by the Trustee, after consulting with the Committee at any time before confirmation, provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Trustee shall have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, the Trustee has consulted with the Committee on such modifications, the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected this Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection. Notwithstanding anything to the contrary herein, the Committee's right to object to any proposed modification of the Plan is fully reserved.

**ARTICLE XIV**

**EFFECT OF THE PLAN ON CLAIMS AND INTERESTS**

**1. Satisfaction of Claims.**

Except as otherwise provided herein, the rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction and release of all Claims and Interests of any nature whatsoever against the Estates or derivatively through the Debtors or the Estates, Assets, properties, or interests in property. Except as otherwise provided herein, all Persons shall be precluded and forever barred from asserting against the Estates, Assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date; provided, however, that Christopher John Pettit and Chris Pettit & Associates, P.C. shall not receive a discharge.

**2. Good Faith.**

As of the Confirmation Date, the Trustee shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code.

**3. Setoffs.**

Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, the Liquidating Trustees may offset against any Allowed Claim and the payments to be made pursuant to the Plan on account of such Allowed Claim (before such payment is made), any claims, rights, Estate Defenses, and Causes of Action of any nature that the Estates may hold against the holder of such Allowed Claim, to the extent such claims, rights, Estate Defenses, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); **provided, however**, that neither the failure to effect such a setoff nor the Allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by the Liquidating Trustees of any such claims, rights, Estate Defenses, and Causes of Action that the Liquidating Trustees may possess against such Claimant.

**4. Recoupment.**

In no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any claims, rights, or Causes of Action of the Estates or the Liquidating Trustees, as applicable, unless: (i) such holder actually provides notice thereof in writing to the Liquidating Trustees of its intent to perform a recoupment; and (ii) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment. Notwithstanding the foregoing, nothing in this Plan shall be deemed to deprive or prevent the Trustee or the Liquidating Trustees, as applicable, from seeking a judicial determination from the Bankruptcy Court or any other court of competent jurisdiction regarding the validity and extent of such Claimant's recoupment rights.

**5. Constructive Trust and Equitable Rights.**

As of the Effective Date, in no event shall any Person, including any holder of Claims or Interests, be entitled to assert any constructive trust, ear marking, equitable lien, or other equitable interest, remedy, or reservation against any CP&A Trust Assets or any Pettit Trust Assets, other than the beneficial interests in the Liquidating Trusts issued under this Plan. For avoidance of doubt, the Liquidating Trust Assets shall transfer to the Liquidation Trusts free and clear of all constructive or equitable trust, earmarking claim, equitable lien, or other equitable interest or remedy and free of any related reservations contained in any Prior Order.

**6. Satisfaction of Subordination Rights.**

No subordination rights or agreements between Claimants shall be binding or enforceable against the Liquidating Trustees in the performance of this Plan and the Liquidating Trust Agreements. Distributions to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment, or similar legal process by any Claim holder by reason of any claimed subordination rights or otherwise, so that each Claim holder shall have and receive the benefit of the Distributions in the manner set forth in the Plan.

**7. Turnover.**

On the Effective Date, any rights of the Estates to compel turnover of Assets under applicable non-bankruptcy law and pursuant to sections 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Liquidating Trustees. The Liquidating Trustees may exercise such rights with respect to any property that may be arguably have been Property of the Estates to the fullest extent allowable under applicable law and authority.

**8. Subordination.**

On the Effective Date, the rights of the Trustee to seek subordination of any Claim or Interest pursuant to section 510 of the Bankruptcy Code shall be fully reserved and vested in the Liquidating Trustees to pursue, if deemed prudent, by the Liquidating Trustees, and the treatment afforded any Claim or Interest that becomes a Subordinated Claim at any time shall be modified to reflect such subordination.

**9. Automatic Stay.**

The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors, the Estates, and all Assets. Upon the Effective Date, the automatic stay shall be replaced by the injunction set forth in the Plan.

**ARTICLE XV  
JURISDICTION IN THE BANKRUPTCY AND OTHER COURTS**

**1. Retention of Jurisdiction.**

Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to the Cases and the Plan, for the purposes of sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

(a) To hear and determine any and all Objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Claim or Claim, and to subordinate any Claim or Interest in accordance with any contractual, legal, or equitable subordination principles;

(b) To hear and determine all Fee Claims;

(c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of Unexpired Leases and Executory Contracts and any disputes over Cure Amounts resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any Executory Contract or Unexpired Lease;

(d) To hear and resolve any disputes arising from or related to (i) any orders of the Bankruptcy Court granting relief under Bankruptcy Rule 2004 or (ii) any protective orders entered by the Bankruptcy Court in connection with the foregoing;

(e) To hear and determine any and all motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the entry of the Confirmation Order, including any remands or appeals;

(f) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan, the Confirmation Order, any transactions or payments in furtherance of either, any agreement, instrument, or other document governing or related to any of the foregoing, or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests, or disputes relating to any of the Assets, (ii) the valuation of all Collateral, including hearing all valuation motions, (iii) the determination of the validity of any Lien or claimed right of setoff; and (iv) determinations of objections to Disputed Claims, including any disputes concerning reserves with respect to Disputed Claims or the administration thereof;

(e) To liquidate any disputed, contingent, or unliquidated Claims;

(f) To ensure that Distributions to holders of Allowed Claims are accomplished as provided in this Plan and the Confirmation Order;

(g) To determine all issues relating to the enforcement, fixing, or liquidation of Claims;

(h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(i) To enable the Liquidating Trustees to prosecute any and all proceedings which may be brought to set aside Liens or encumbrances and to recover any transfers, assets, properties, or damages to which the Liquidating Trusts may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state, or local laws, including Causes of Action, controversies, disputes, and conflicts between the Liquidating Trustees and any other party, including, but not limited to, any Objections to Claims and Causes of Action, including Avoidance Actions or equitable subordination.

(j) To hear and determine any application to modify this Plan in accordance with section 1127 of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistency in this Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(k) To issue and enforce injunctions (including the Plan injunction), enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Person with the consummation, implementation, or enforcement of this Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(l) To provide for and approve any sale after the Effective Date of any of the Estate Assets free and clear of all Liens, Claims, and Interests;

(m) To take any action and issue such orders, including any such action or orders as may be necessary after entry of the Confirmation Order or the occurrence of the Effective Date, as may be necessary to construe, enforce, implement, execute, and consummate this Plan, including any release, exculpation, or injunction provisions set forth in this Plan, or to maintain the integrity of this Plan following the occurrence of the Effective Date;

(n) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code;

(o) To resolve any disputes concerning whether a Person had sufficient notice of the Cases, the Disclosure Statement, any solicitation conducted in connection with the Cases, any bar date established in the Cases, or any deadline for responding or objecting to a Cure Amount, in each case, for the purpose for determining whether a Claim or Interest is discharged hereunder or for any other purpose;

(p) To recover all Assets of the Debtors and property of the Estates, wherever located;

(q) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(r) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code; and

(s) To enter a final decree closing these Cases.

## **2. Abstention and Other Courts.**

Nothing herein shall affect the right of the Liquidating Trustees to assert Causes of Action or Estate Defenses or otherwise seek any appropriate relief in any court of competent jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to these Cases, this Section 15.2 of the Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

## **ARTICLE XVI MISCELLANEOUS PROVISIONS**

### **1. Severability.**

Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Liquidating Trustees may modify the Plan in accordance with Sections 13.4 and 13.5 hereof so that such provision shall



not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the re-solicitation of any acceptance or rejection of the Plan.

**2. Oral Agreements; Modification of Plan; Oral Representations or Inducements.**

The terms of the Plan, Disclosure Statement, and Confirmation Order may not be changed, contradicted, or varied by any oral statement, agreement, warranty, or representation. The Plan may only be modified, amended, or supplemented in writing signed by the Liquidating Trustees or an alternate authorized representative of the Liquidating Trustees. The Trustee, his bankruptcy counsel, and their other Professionals make no representations, warranties, promises, or inducements relating to the Plan or its confirmation except as expressly set forth in this Plan or the Disclosure Statement. Notwithstanding anything to the contrary herein, the Committee's right to object to any modification of the Plan is fully reserved.

**3. Waiver.**

Neither the Trustee nor the Liquidating Trustees shall be deemed to have waived any right, power, or privilege pursuant to the Plan, unless the waiver is in writing and signed by an authorized representative of the Trustee (before the Effective Date) or the Liquidating Trustees (after the Effective Date). There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Trustee or Liquidating Trustees, as applicable, of any right pursuant to the Plan, including the provisions of this anti-waiver section. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power, or privilege.

**4. Construction.**

This Plan shall control over any inconsistent term of the Disclosure Statement or any other Plan Document. The Confirmation Order shall control over any inconsistent provision of the Plan, Disclosure Statement, and other Plan Documents.

**5. Notice.**

Any notice or communication required or permitted by the Plan shall be in writing given, made, or sent as follows:

(a) If to a Creditor, notice may be given as follows: (i) if the Creditor has filed no proof of claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of claim, then to address reflected in the proof of claim.

(b) If to the Chapter 11 Trustee, notice shall be sent to the following address:

Eric Terry, Chapter 11 Trustee  
eric@ericterrylaw.com  
3511 Broadway  
San Antonio, Texas 78209  
Telephone: (210) 468-8274

With a copy to counsel:

Wick Phillips Gould and Martin, LLP  
Attention: Jason M. Rudd  
3131 McKinney Avenue, Suite 500  
Dallas, Texas 75204  
Telephone: (214) 692-6200  
jason.rudd@wickphillips.com

- (c) If to the Committee, notice shall be sent to the following address:

Official Committee of Unsecured Creditors of CP&A, P.C.  
c/o Loretta Persyn, Committee Chair  
10018 Tezel Rd.  
San Antonio, Texas 78254  
Email: lorettapersyn@yahoo.com

- (d) If to the Liquidating CP&A Trustee, notice shall be sent to the following address:

Eric Terry  
eric@ericterrylaw.com  
3511 Broadway  
San Antonio, Texas 78209  
Telephone: (210) 468-8274

With a copy to counsel:

Wick Phillips Gould and Martin, LLP  
Attention: Jason M. Rudd  
3131 McKinney Avenue, Suite 500  
Dallas, Texas 75204  
Telephone: (214) 692-6200  
jason.rudd@wickphillips.com

- (e) If to the Liquidating Pettit Trustee, notice shall be sent to the following address:

Eric Terry  
eric@ericterrylaw.com  
3511 Broadway  
San Antonio, Texas 78209  
Telephone: (210) 468-8274

With a copy to counsel:

Wick Phillips Gould and Martin, LLP  
Attention: Jason M. Rudd  
3131 McKinney Avenue, Suite 500  
Dallas, Texas 75204  
Telephone: (214) 692-6200  
jason.rudd@wickphillips.com

(f) Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Liquidating Trustees of its new address.

(g) Any notice given, made, or sent as set forth above shall be in writing and effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth above; (ii) delivered by hand or messenger to the addressee at the address set forth above; (iii) telecopied to the addressee as set forth above, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

**6. Compliance with All Applicable Laws.**

If notified by any governmental authority they are in violation of any applicable law, rule, regulation, or order of such governmental authority relating to their businesses, the Liquidating Trustees shall comply with such law, rule, regulation, or order; provided that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate reserve has been set aside on the books of the Liquidating Trustees or as set forth in the Liquidating Trust Agreements.

**7. Binding Effect.**

The Plan shall be binding upon, and shall inure to the benefit of the Liquidating Trustees, the holders of the Claims or Liens, the holders of Interests, and their respective successors in interest and assigns.

**8. Governing Law, Interpretation.**

Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any Plan Documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other Plan Documents, except as set forth in Section 16.4 above.

**9. Payment of Statutory Fees.**

All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date and thereafter as such statutory fees become due.

**10. Filing of Additional Documents.**

On or before Substantial Consummation of the Plan, the Trustee or Liquidating Trustees, as applicable, may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

**11. Dissolution of Committee.**

On the Effective Date, the Committee shall dissolve and the members of the Committee shall be released, exculpated, and discharged from all authority, duties, responsibilities, and obligations related to and arising from and in connection with these Cases, provided that the Committee shall continue to exist solely with respect to (i) any applications for expense reimbursements for members of such Committee including preparing same, objecting to same, defending same, and attending any hearing with respect to same; (ii) any motions or other actions seeking enforcement of implementation of the provisions of the Plan or the Confirmation Order; and (iii) any appeal pending as of the Effective Date or filed thereafter, the outcome of which could affect the treatment of prepetition creditors.

**12. No Admissions.**

Notwithstanding anything in the Plan to the contrary, nothing in the Plan shall be deemed as an admission by the Trustee on behalf of the Estates with respect to any matter set forth in the Plan, including liability on any Claim.

**13. Plan Supplement.**

Any and all Exhibits, lists, or schedules not filed with the Plan shall be contained in the Plan Supplement and filed with the Clerk of the Bankruptcy Court on or before the Plan Supplement Filing Date or such other filing deadline as may be approved by the Bankruptcy Court. Holders of Claims or Interests may also obtain a copy of the Plan Supplement upon written request to the Trustee. Notwithstanding the foregoing, the Trustee may amend the Plan Supplement and any attachments thereto, through and including the Confirmation Date.

**14. Disclaimer for Governmental Units.**

Notwithstanding anything in the Plan, the Disclosure Statement, the Confirmation Order, the Plan Supplement, or any other Plan Document, nothing shall discharge, release, preclude, or enjoin (a) any liability of the Debtors to any Governmental Unit that is not a Claim; (b) any Claim of a Governmental Unit arising on or after the Effective Date; (c) any police or regulatory liability owed to a Governmental Unit, including, without limitation, any police or regulatory liability such Person would be subject to as the post-Effective Date owner or operator of property; (d) any Claim of or liability to a Governmental Unit on the part of any Person other than the Debtors; or (e) any obligations preserved or established in the Plan. Nor shall anything in the Plan, the Disclosure Statement, the Confirmation Order, the Plan Supplement, or any other Plan Document enjoin or otherwise bar a Governmental Unit from asserting or enforcing, outside this Bankruptcy Court, any liability described in the preceding sentence.

**15. Exemption from Securities Laws.**

The issuance of and the distribution under this Plan of the beneficial interests in the Liquidating Trusts shall be exempt from registration under the Securities Act and any other applicable securities laws pursuant to section 1145 of the Bankruptcy Code.

**16. Article 1146 Exemption.**

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment.

**17. Section 1125(e) Good Faith Compliance.**

The Trustee, the Committee, and each of their respective Related Parties, shall be deemed to have acted in “good faith” under section 1125(e) of the Bankruptcy Code, and the Confirmation Order shall including a finding of fact to that effect.

**18. Further Assurances.**

The Trustee, the Liquidating Trustees, all holders of Claims and Interests receiving Distributions hereunder and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

[Signature Page Immediately Follows]

Dated: November 15, 2024

Respectfully Submitted,

**Eric Terry, Chapter 11 Trustee.**

By: /s/ Eric Terry  
3511 Broadway  
San Antonio, Texas 78209  
Telephone: (210) 468-8274

**WICK PHILLIPS GOULD AND MARTIN, LLP**

By: /s/ Jason M. Rudd  
Jason M. Rudd, Tex. Bar No. 24028786  
Scott D. Lawrence, Tex. Bar No. 24087896  
Catherine A. Curtis, Tex. Bar No. 24095708  
Meghan D. Young, Tex. Bar No. 24138518  
3131 McKinney Avenue, Suite 500  
Dallas, Texas 75204  
Telephone: (214) 692-6200  
jason.rudd@wickphillips.com  
scott.lawrence@wickphillips.com  
catherine.curtis@wickphillips.com  
meghan.young@wickphillips.com

**COUNSEL FOR ERIC TERRY, CHAPTER 11 TRUSTEE**

**Exhibit B**

**Liquidation Analysis**

**Christopher Pettit & Associates, P.C. (22-50591)**

Liquidation Analysis

**Note:** Assumes matter converts to Ch. 7 on December 1st if Plan of Liquidation is not confirmed.

Sources of Funds				
Assets		Chapter 11	Chapter 7	Notes
Cash - Projected Balance at 12/1/2024	\$1,298,900	\$ 1,298,900	\$ 1,298,900	[1]
Cause of Action Claims Receivable	Unknown	Unknown	Unknown	[2]
<b>Total Proceeds Available for Distribution</b>	<b>\$1,298,900</b>	<b>\$1,298,900</b>	<b>\$1,298,900</b>	
Uses of Funds				
Unclassified Claims				
Administrative		\$ 2,500.00	\$ 2,500.00	[3]
Chapter 11 Professional Fees		85,150.00	85,150.00	[4]
Chapter 7 Trustee Fees		N/A	62,250.00	[5]
Plan Trustee		38,967.00	N/A	[5]
Chapter 7 Conversion and Transition Fees		N/A	75,000.00	[6]
Priority Tax Claims		-	-	
US Trustee Fee		10,391.20	N/A	
<b>Net Proceeds Used for Unclassified Claims</b>		<b>\$ 137,008.20</b>	<b>\$ 224,900.00</b>	
<b>Net Proceeds Available for Classified Claims</b>		<b>\$ 1,161,891.80</b>	<b>\$ 1,074,000.00</b>	
Classified Claims				
Class 1.A: Counsel Financial Secured Claim		\$ 2,250,000.00	\$ 2,250,000.00	
Class 1.B: Secured Tax Claims		31,308.02	31,308.02	
Class 1.C: Other Secured Claims		-	-	
Class 2.A: Former Client General Unsecured Claims Against CP&A		269,084,757.83	269,084,757.83	[7]
Class 2.A: Other General Unsecured Claims Against CP&A		4,362,610.47	4,362,610.47	[7]
Class 3.A: Subordinated Claims Against CP&A		13,298,560.53	13,298,560.53	
<b>Total Classified Claims</b>		<b>\$ 289,027,236.85</b>	<b>\$ 289,027,236.85</b>	

**Notes:**

- [1] Projection based on historical average monthly disbursements and anticipated settlement receipts and disbursements through 12/1/2024.
- [2] Represents claims against various entities and individuals.
- [3] Represents estimated administrative expense claims.
- [4] Represents half of both Estates' estimated professional fees claims on the Confirmation Date.
- [5] Calculated in accordance with 11 U.S.C. § 326(a) based upon total estimated disbursements. The Plan Trustee fees are estimated at 3.0% of total proceeds available for distribution.
- [6] Includes costs associated with preparing conversion schedules, a new section 341 meeting, a new claims bar date, retention of replacement professionals, and associated transition costs.
- [7] Includes duplicate claims listed in the bankruptcy schedules and claims register.



**Christopher John Pettit (22-50592)**

Liquidation Analysis

**Note:** Assumes matter converts to Ch. 7 on December 1st if Plan of Liquidation is not confirmed.

Sources of Funds				
Assets		Chapter 11	Chapter 7	Notes
Cash - Projected Balance at 12/1/2024	\$1,332,009	\$ 1,332,009	\$ 1,332,009	[1]
Brokerage Assets	Unknown	Unknown	Unknown	[2]
Insurance Policies	Unknown	Unknown	Unknown	[2]
Interests in various entities	Unknown	Unknown	Unknown	[2]
Cause of Action Claims Receivable	Unknown	Unknown	Unknown	[3]
<b>Total Proceeds Available for Distribution</b>	<b>\$1,332,009</b>	<b>\$1,332,009</b>	<b>\$1,332,009</b>	

  

Uses of Funds				
Unclassified Claims				
Administrative		\$ 5,500.00	\$ 5,500.00	[4]
Chapter 11 Professional Fees		85,150.00	85,150.00	[5]
Chapter 7 Trustee Fees		N/A	63,210.27	[6]
Plan Trustee		39,960.27	N/A	[6]
Chapter 7 Conversion and Transition Fees		N/A	75,000.00	[7]
Priority Tax Claims		689,639.79	689,639.79	
US Trustee Fee		10,656.07	N/A	[8]
<b>Net Proceeds Used for Unclassified Claims</b>		<b>\$ 830,906.13</b>	<b>\$ 918,500.06</b>	
<b>Net Proceeds Available for Classified Claims</b>		<b>\$ 501,102.87</b>	<b>\$ 413,508.94</b>	

  

Classified Claims				
Class 1.A: Counsel Financial Secured Claim		\$ 2,250,000.00	\$ 2,250,000.00	
Class 1.B: Secured Tax Claims		17,247.56	17,247.56	
Class 1.C: Other Secured Claims		-	-	
Class 2.A: Former Client General Unsecured Claims Against Pettit		229,495,499.05	229,495,499.05	[9]
Class 2.B: Other General Unsecured Claims Against Pettit		9,755,286.75	9,755,286.75	[9]
Class 3.B: Subordinated Claims Against Pettit		42,325,659.20	42,325,659.20	
<b>Total Classified Claims</b>		<b>\$ 283,843,692.56</b>	<b>\$ 283,843,692.56</b>	

**Notes:**

- [1] Projection based on historical average monthly disbursements and anticipated settlement receipts and disbursements through 12/1/2024.
- [2] There are various known bank and brokerage accounts as well as life insurance policies that have been identified. There is uncertainty as to how much, if any at all, will be recovered from these accounts.
- [3] Represents claims against various entities and individuals.
- [4] Represents estimated administrative expense claims.
- [5] Represents half of both Estates' estimated professional fees claims on the Confirmation Date.
- [6] Calculated in accordance with 11 U.S.C. § 326(a) based upon total estimated disbursements. The Plan Trustee fees are estimated at 3.0% of total proceeds available for distribution.
- [7] Includes costs associated with preparing conversion schedules, a new section 341 meeting, a new claims bar date, retention of replacement professionals, and associated transition costs.
- [8] Represents priority portion of IRS Proof of Claim 12-2.
- [9] Includes duplicate claims listed in the bankruptcy schedules and claims register.

**Exhibit C**

**Summary of Scheduled and Filed Claims against the Estates**

**Christopher Pettit & Associates, P.C. (22-50591)**

Summary of Claims Pool

SUMMARY SCHEDULE			
	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
Class 1.A: Counsel Financial Secured Claim	\$ 4,000,000.00	\$ 4,952,062.21	\$ 2,250,000.00
Class 1.B: Secured Tax Claims	-	31,308.02	31,308.02
Class 1.C: Other Secured Claims	-	-	-
Class 2.A: Former Client General Unsecured Claims Against CP&A	102,316,650.59	257,382,209.56	269,084,757.83
Class 2.A: Other General Unsecured Claims Against CP&A	2,227,848.23	2,154,716.84	4,362,610.47
Class 3.A: Subordinated Claims Against CP&A	3,081,020.67	11,408,049.04	13,298,560.53
<b>Totals</b>	<b>\$ 111,625,519.49</b>	<b>\$ 275,928,345.67</b>	<b>\$ 289,027,236.85</b>

**Christopher Pettit & Associates, P.C. (22-50591)**

Class 1.A: Counsel Financial Secured Claim

DETAILED SCHEDULES				
Claim #	Class 1.A: Counsel Financial Secured Claim	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
159	Counsel Financial Holdings LLC	\$ 4,000,000.00	\$ 3,824,621.78	\$ 2,250,000.00
160	Counsel Financial II LLC	-	1,127,440.43	-
<b>Total Class 1.A: Counsel Financial Secured Claim</b>		<b>\$ 4,000,000.00</b>	<b>\$ 4,952,062.21</b>	<b>\$ 2,250,000.00</b>

[1]

[1] The estimated allowed claim is based on the Order Granting Joint Motion Under Bankruptcy Rule 9019 To Approve Compromise And Settlement Among Counsel Financial Entities, Mark And Robin Verstuyft, And Eric Terry, Chapter 11 Trustee For The Bankruptcy Estates Of Christopher John Pettit And Chris Pettit & Associates, P.C. dated July 1, 2024.

**Christopher Pettit & Associates, P.C. (22-50591)**

Class 1.B: Secured Tax Claims

DETAILED SCHEDULES					
Claim #	Class 1.B: Secured Tax Claims	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim	
1-2	Bexar County Tax Assessor-Collector	\$ -	\$ 10,069.72	\$	10,069.72
114-2	Texas Comptroller of Public Accounts	Unknown	19,545.81		19,545.81
2	Comal County	-	917.06		917.06
21	City of McAllen	-	291.66		291.66
22	Hidalgo County	-	483.77		483.77
<b>Total Class 1.B: Secured Tax Claims</b>		<b>\$ -</b>	<b>\$ 31,308.02</b>	<b>\$</b>	<b>31,308.02</b>

[1] The estimated allowed claim is assumed to be the amount listed in the bankruptcy schedules unless a proof of claim was filed.

**Christopher Pettit & Associates, P.C. (22-50591)**

Class 2.A: Former Client General Unsecured Claims Against CP&A

DETAILED SCHEDULES				
Claim #	Class 2.A: Former Client General Unsecured CI	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
167	A West Ward	\$ -	\$ 76,927.99	\$ 76,927.99
	Alberto Cardenas Trust c/o Jesus and Elena Cardenas	Unknown		Unknown
110	Alberto Rodriguez	1,243,949.58	1,236,760.50	1,236,760.50
	Alek Alvarado	Unknown		Unknown
	Alfredo Prieto	-		-
83	Amy Rose Pridgen	Unknown	115,566.12	115,566.12
170	Anastasia Stewart Trust		795,724.65	795,724.65
	Andres Ramirez	-		-
	Angel Flores	Unknown		Unknown
	Angel Gonzalez	Unknown		Unknown
53	Angelita Vossler	Unknown	369,665.04	369,665.04
37	Anne Curtis-Leahy		231,025.05	231,025.05
142	Antonio Garcia		500.00	500.00
120	Arlene Kreitz Hengst Trust	Unknown	1,981,675.69	1,981,675.69
	Armando Gonzalez	Unknown		Unknown
	Augustine Farias	Unknown		Unknown
76	Barbara Carol Mellott	Unknown	365,888.52	365,888.52
	Barbara Fuller	Unknown		Unknown
147	Barbra Morales	64,990.77	140,429.67	140,429.67
11	Belinda Stanush	-	462,950.37	462,950.37
152	Betty June Krahn	481,228.79	1,586,004.21	1,586,004.21
	Betty N. Nelson	2,301,778.79		2,301,778.79
154	Beyer Living Trust		1,162,786.17	1,162,786.17
143	Brady Wise	242,000.00	242,000.00	242,000.00
161	Brenda Nickels Living Trust	1,427,793.02	1,440,829.54	1,440,829.54
	Brenda O'Brien	Unknown		Unknown
50	Bruce H. and Mary Bengel	5,186,633.31	5,186,633.31	5,186,633.31
16	Carl L & Charaleen S Wright		53,006.95	53,006.95
	Carolyn Oglesby	482,496.85		482,496.85
174	Carrie Susan Armstrong		-	-
157	Cartwright Living Trust and Phillip Cartwright		250,000.00	250,000.00
	Catherine Martinez	-		-
77	Charles Koch	Unknown	1,695,000.00	1,695,000.00
150	Charlie & Krystal Pilgrim		18,006.97	18,006.97
74	Charlotte E Hahn (Mullennix)		1,000,000.00	1,000,000.00
49	Charmaine Benson	Unknown	801,000.00	801,000.00
178	Christina McQueary	Unknown	174,936.26	174,936.26
153	Christopher Eardley	Unknown	211,914.28	211,914.28
	Chrystal Simental	Unknown		Unknown
40-3	Coker-Dailey Irrevocable Trust	3,696,135.62	3,801,036.62	3,801,036.62
78	Connie F. Gonzales	32,000.00	36,000.00	36,000.00
55	Dan Mendez	-	201,669.97	201,669.97
9	David and Helen Landman	407,505.76	407,505.76	407,505.76
20-2	David Day c/o Carl J. Kolb, P.C.	Unknown	1,565,750.00	1,565,750.00
81	David N. Deaconson		2,276,778.79	2,276,778.79
	Deaja Reaves	-		-
155	Deidre Persyn	974,050.00	947,080.00	947,080.00
56	Diana Ibarra Mendez	-	415,713.52	415,713.52
	Dinane P. Hengst	Unknown		Unknown
119	Donna Reyes		143,055.09	143,055.09
	Dr. Salvador Ortiz	-		-
151	Eddie and Lou Ann Dreamkowski	5,064,274.45	5,364,819.60	5,364,819.60
57	Eddie Molina	629,329.02	629,329.02	629,329.02

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**Christopher Pettit & Associates, P.C. (22-50591)**

Class 2.A: Former Client General Unsecured Claims Against CP&A

DETAILED SCHEDULES			
Claim #	Class 2.A: Former Client General Unsecured CI Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
	Edie Tyler	Unknown	Unknown
	Emily Samuel Special Needs Trust	8,717.92	8,717.92
162	Ernestine Owings	2,134,605.24	2,134,605.24
	Ernesto Chacon	-	-
166	Estate of Questa Corona Devage, deceased	983,338.44	983,338.44
17	Estate of Samuel Howard Reed	394,606.25	394,606.25
	Estrada Factor	Unknown	Unknown
102	Eva Corbo	581,860.48	581,860.48
118	F. E. Marshall Family Limited Partnership	9,726,410.34	9,726,410.34
148	Felicia Morales	749,340.32	873,290.26
	Fernando R. Sanchez	-	-
104	Frank and Emma Persyn Family	14,438,183.00	14,621,432.15
105	Frank G. Persyn, Jr.	2,638,342.35	2,671,828.79
82	Galen Lee	Unknown	177,000.00
44	Gary G. Jackson		124,870.72
46	Gary Jackson Living Trust		124,870.72
	Gemaro Garcia	-	-
132	Genevieve Jumamil		24,903.43
	George Pilgrim	3,550,208.98	3,550,208.98
31	Georgina Bellanger		174,899.19
	Gilberto Jimenez	Unknown	Unknown
	Gladys Stein Estate	Unknown	Unknown
99	Gordon & Wendy Kuenemann	Unknown	907,577.58
	Griselda Chairez	Unknown	Unknown
	Harley Elizondo	-	-
108	Henry J. Persyn	2,481,300.33	2,512,793.01
173	Ingrid Armstrong		-
58	Irma Castiglione	See Eddie's	629,329.02
	Irma Guajardo	Unknown	Unknown
	Jacqueline Rios	319,711.54	319,711.54
	Jacque Brown	751,554.90	751,554.90
180	James Armstrong & Carol Armstrong	3,154,199.47	55,000,000.00
51	Jamie Spears Montelongo	Unknown	95,317.80
168	Jason and Ashley Forsyth	507,790.97	695,533.48
13	Javier Garza		37,150.00
14	Javier Garza		37,150.00
33-2	Jeffery B. Halay	127,540.11	210,000.00
	Jeneva Bruce	-	-
	Jesus Guerra Cortez	-	-
	Joann Coleman	Unknown	Unknown
133	John Phillip Santos, Executor		369,344.45
	Jose Morales Diaz	-	-
	Jose Zuniga Linares	-	-
15	Joseph R. Kennedy		12,675.15
94	Joyce E. Locke	Unknown	1,056,521.59
	Juan Garza	Unknown	Unknown
92	Juanita E Langner Living Trust		60,000.00
	Judy Ventura	Unknown	Unknown
	Justin Burger	-	-
	Justin Hebert	350,000.00	350,000.00
130	Justin Keeney		10,500.00
91	Karen and Wade Seifert		167,805.36
90	Karen and Wade Seifert	Unknown	128,024.08
	Karen Hengst May	Unknown	Unknown

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**Christopher Pettit & Associates, P.C. (22-50591)**

Class 2.A: Former Client General Unsecured Claims Against CP&A

DETAILED SCHEDULES				
Claim #	Class 2.A: Former Client General Unsecured CI	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
171	Karen Joan Klarquist		-	-
101	Ken & Shelli Scott	494,182.84	147,131.94	147,131.94
100	Kenneth Scott	Unknown	147,131.94	147,131.94
145	Kenneth W. Paris	4,340,852.15	9,932,522.14	9,932,522.14
6-2	Kostantinos and Rena Kastis		310,000.00	310,000.00
	Krystal Garza	-		-
111	Laura Kubesh	1,523,482.80	1,542,818.64	1,542,818.64
172	Laurel Armstrong		-	-
	Lawrence Wayne Hengst	Unknown		Unknown
34-2	Lee and Tiffany Skinner	Unknown	59,430.96	59,430.96
106	Leigh Sibley	1,172,162.07	1,180,084.36	1,180,084.36
112	Leslie Ann Persyn	1,303,746.52	1,320,293.59	1,320,293.59
	Linda Bausch Nickels	494,717.89		494,717.89
169	Linda Mae Wehmeyer	316,914.18	306,691.14	306,691.14
59	Linda Wetz	146,450.71	146,450.71	146,450.71
121	Loraine LeComte Dowling Living Trust	393,411.20	144,434.88	144,434.88
124	Lorena Isamar Made	Unknown	2,000,000.00	2,000,000.00
	Louise Lacari	Unknown		Unknown
42	Luis and Maxine Elizondo	1,237,678.17	1,173,169.34	1,173,169.34
	Luis Torres Maldonado	-		-
125	Luz Marina Made	Unknown	1,000,000.00	1,000,000.00
93	Malcolm R. Gildart Irrevocable Trust	535,248.22	557,548.89	557,548.89
	Maquir Escobar	-		-
	María Rodriguez De Esparza	Unknown		Unknown
117	Marshall Living Trust; R. Molina; M.L.	6,338,307.45	9,726,410.34	9,726,410.34
115	Mary Jane Staudt	Unknown	492,320.45	492,320.45
73	Mary Kay Holly	Unknown	340,000.00	340,000.00
113-2	Mary L. Skaines	47,112.99	79,182.20	79,182.20
	Melissa Quinones	-		-
134	Michael Archer and Gary Archer	2,154,707.98	2,536,381.62	2,536,381.62
85	Michael E Kastis & Paula Kastis	218,715.35	218,715.35	218,715.35
163	Michael E Kostis & Paula Kastis		218,715.35	218,715.35
32-2	Michael Halay	2,827,894.52	2,827,894.52	2,827,894.52
	Michael Kotzur	2,574,789.92		2,574,789.92
146	Michael Morales	25,000.00	43,780.05	43,780.05
	Michael Pilgrim	Unknown		Unknown
47	Michael Reed	Unknown	1,500,000.00	1,500,000.00
	Monica Castillo	54,000.00		54,000.00
	Monica Prado	-		-
	Nancy Elizondo	Unknown		Unknown
39-2	Nolte, James and Adilmira	540,199.03	842,245.84	842,245.84
	Norberto Flores, Jr.	-		-
158	Norma E. Roberts		3,830.73	3,830.73
	Oscar Ortiz	-		-
88	Pamela Pilgrim		837,171.29	837,171.29
141	PATRICA AND MARK HAHNE		200,000.00	200,000.00
176	Paul Patrick Black Heritage Trust		6,086,817.06	6,086,817.06
	Pauline Smith	Unknown		Unknown
	Pilar Lopez	228,511.49		228,511.49
116	Pilgrim Mortgage	Unknown	7,131,218.27	7,131,218.27
84	PM Kastis, LLC		6,942.22	6,942.22
164	PM Kastis, LLC		6,942.22	6,942.22
126	Pogue & Company d/b/a JLP Builders, Inc.	311,495.53	1,835,057.33	1,835,057.33
87	Raul Peril	Unknown	340,349.78	340,349.78

[1]



**Christopher Pettit & Associates, P.C. (22-50591)**

Class 2.A: Former Client General Unsecured Claims Against CP&A

DETAILED SCHEDULES			
Claim #	Class 2.A: Former Client General Unsecured CI Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
103	Red Rope Limited Partnership	Unknown	74,442.00
61	Rhonda Mylnar	279,347.16	298,223.46
	Richard Forsyth	518,479.02	518,479.02
60	Richard Mylnar	393,487.03	419,276.83
62	Richard Mylnar and Rhonda Mylnar	2,318,737.15	2,440,741.88
75	Richard Warncke	Unknown	46,000.00
66	Robbie Henwood	1,032,889.57	1,377,807.11
41-2	Robert and Tara Jaeckle	Unknown	262,574.92
68	Robert F Rule		784,424.45
123	Robert Kintigh & Evelyn Brown Kintigh	1,113,789.47	900,340.03
181	Robert Walsh, Trustee Charmaign Young Benson		10,173,915.82
89	Robin and Mark Verstuyft	2,860,000.00	3,483,493.86
54	Ronald Pilgrim and Jordie Pilgrim		86,795.30
45	Rose V. Jackson		33,900.00
48	Rose Valdez-Jackson Living Trust		33,900.00
156	Rosenbusch Farm & Ranch, Inc.	333,229.09	362,482.60
128	Sallie Mae Waclawczyk	6,967,539.07	7,525,911.10
	Sam V. Farace, Jr./Camile J. Farace	Unknown	Unknown
	Samantha Depoala	-	-
98	Sandra Puchot		558,777.19
	Sarah Mariscal	3,700.00	3,700.00
	Scott Bishop	Unknown	Unknown
	Shannon Edwards	63,880.97	63,880.97
7	Sharon Brimhall	2,028,702.09	2,028,702.09
52-2	Sharon Rakowitz	Unknown	2,400,000.00
5	Sharon Romaine Hughes	Unknown	180,426.00
109	Sibley Living Trust	1,174,606.89	1,968,319.99
139	Stephen Robert Jones as Independent Executor of		1,161,915.98
137	Stephen Robert Jones as Independent Executor of		580,957.99
136	Stephen Robert Jones as Independent Executor of		480,702.24
138	Stephen Robert Jones as Successor Death Trustee of		580,957.98
	Susana Blanco	-	-
	Taylor Eldridge	Unknown	Unknown
72	Taylor Living Trust	Unknown	2,817,327.34
	The Douglas McDougal Estate and Trust	Unknown	Unknown
	The Estate of Mary Luna Arratia	Unknown	Unknown
	The Estate of Schaumann	Unknown	Unknown
70	The Mavis Gildart Corporation		478,421.70
135	The Mcallum Trust		1,389,817.16
71-3	The Oscar Martinez Garza Trust		2,705,614.83
12-2	Thelma Rollins	Unknown	31,225.66
64	Theo Pilgrim	2,154,707.98	2,154,707.98
35	Thomas Becker	Unknown	71,446.73
96	Traci Burton and Julie Anne Burton		-
97	Traci Burton and Julie Burton		-
107	Travis and Debra Benke		264,533.51
18	Trust for A.A.F., M.X.F., and S.N.F.		252,500.00
63	Ty Mylnar		39,796.76
179	Valerie Morris	1,102,918.24	11,028,918.24
	Valerie Rivera	-	-

[1]

**Christopher Pettit & Associates, P.C. (22-50591)**

Class 2.A: Former Client General Unsecured Claims Against CP&A

DETAILED SCHEDULES					
Claim #	Class 2.A: Former Client General Unsecured CI	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim	[1]
	Vicenta Jimenez	-		-	
86	Vielka Jimenez Abreu de Reyes	Unknown	8,000,000.00	8,000,000.00	
177	Wayne and Barbara Benke	1,380,000.00	3,738,076.49	3,738,076.49	
	Winnie Bongalis	Unknown		Unknown	
	Yvonne Gibbens	Unknown		Unknown	
69	Yvonne Weber		495,872.00	495,872.00	
67	Yvonne Weber		495,672.00	495,672.00	
<b>Total Class 2.A: Former Client Claims</b>		<b>\$ 102,316,650.59</b>	<b>\$ 257,382,209.56</b>	<b>\$ 269,084,757.83</b>	

[1] The estimated allowed claim is assumed to be the amount listed in the bankruptcy schedules unless a proof of claim was filed.

**Christopher Pettit & Associates, P.C. (22-50591)**

Class 2.A: Other General Unsecured Claims Against CP&A

DETAILED SCHEDULES					
Claim #	Class 2.A: Other General Unsecured Claims Ag	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim	[1]
	1st Choice Treatment Clinic	\$ 42,967.00	\$ -	\$ 42,967.00	
	A New You	2,700.00		2,700.00	
	Ache Institute of Laredo	1,360.00		1,360.00	
	Advanced Injury and Rehab	6,150.00		6,150.00	
	American Health Imaging	800.00		800.00	
	American Medical Response AMBU-AMR	892.50		892.50	
	ASP Cares Pharmacy	249.00		249.00	
	Bank of America	22,797.00		22,797.00	
	Baptist Hospital	11,120.00		11,120.00	
	Bluff Creek Emergency Medicine Associate	1,793.00		1,793.00	
	Central Laredo Pain & Recovery	9,668.00		9,668.00	
	Central Laredo Wellness Center	14,532.80		14,532.80	
	Chiro Care (Potranco)	1,825.00		1,825.00	
165-2	Chiro Care Injury Rehab	10,846.00	551,285.50	551,285.50	
	Chrio Care	960.00		960.00	
	Concord Medical Group of Texas (Equian)	409.00		409.00	
	Consultants in Pain Medicine	12,102.00		12,102.00	
	Crown Chiropractic	1,514.50		1,514.50	
	Doctors Hospital - Laredo	10,558.00		10,558.00	
	Doctors Hospital Emergency Room	3,119.00		3,119.00	
	Dr. Bratislav Velimirovic	3,100.00		3,100.00	
	Dr. Mauricio Garcia Jaques	3,400.00		3,400.00	
	El Paso Ortho Group	2,674.00		2,674.00	
	EMBCC-ER Doc/Ldo Med Ctr	1,517.00		1,517.00	
	Equian	271.71		271.71	
	FootHill Medical Center	2,545.84		2,545.84	
	Hector X Samaniego, Jr., M.D., P.A.	7,883.00		7,883.00	
	IRM Capital, LLC	90,000.00		90,000.00	
	Laredo Emergency Med ASC PA	3,034.00		3,034.00	
	Laredo EMS	408.50		408.50	
	Laredo Medical Center	7,364.97		7,364.97	
	Las Cruces Emergency Med. Assoc.	1,540.00		1,540.00	
	Las Cruces Pain & Rehab	2,132.50		2,132.50	
	Las Cruces Pain and Rehab	7,107.50		7,107.50	
	Legent Hospital of El Paso	1,300.00		1,300.00	
	Legent Orthopaedic & Spine	41,000.00		41,000.00	
	Libertas	559,634.90		559,634.90	
	M&M Marble	Unknown		Unknown	
	McAdams Emergency Medicine Assc., PA	1,517.00		1,517.00	
	Memorial Medical Center	4,542.50		4,542.50	
	Methodist Hospital (Greater San Antonio)	14,482.29		14,482.29	
23, 24, 25, 26, 27, 28, 29	Munoz Management Group	1,038.00	45,450.00	45,450.00	
	Omni Healthcare	2,500.00		2,500.00	
127	Paesanos Parkway Imaging	1,500.00	116,500.00	116,500.00	
	Premier Medical Imaging	1,500.00		1,500.00	
	Prestige Diagnostic Imaging	3,750.00		3,750.00	
	Red Rock Diagnostics, LLC	7,408.29		7,408.29	
	Rio Health Group	4,031.10		4,031.10	
	Rio Health Pharmacy	249.00		249.00	
	San Antonio EMS	1,162.80		1,162.80	
	San Antonio Orthopedic Group	8,265.00		8,265.00	

**Christopher Pettit & Associates, P.C. (22-50591)**

Class 2.A: Other General Unsecured Claims Against CP&A

DETAILED SCHEDULES			
Claim #	Class 2.A: Other General Unsecured Claims Ag Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
	San Antonio Spine & Rehab - Woodcock		2,116.81
	Southwest Xray		982.00
	SYNCB/PPC		5,616.00
	Texas Tech Physicians of El Paso		262.00
	The Hospitals of Providence - East Campus		27,979.00
	Third Coast ER Physicians		942.18
	Touchstone Imaging		2,412.50
144	Trinity Center Open MRI	65,474.50	65,474.50
	UFS		244,041.00
	United HealthCare Services		1,817.34
	University Hospital		33,224.52
	University Medical Center of El Paso		1,931.05
	University of Texas Health Services Ctr.		1,448.00
	Webb Emergency Medicine		1,517.00
	Westwood Funding Solutions		953,765.53
3,4	Wells Fargo Bank, N.A.	8,354.56	8,354.56
10	American Express National Bank	23,246.87	23,246.87
19	Spectrum	1,654.56	1,654.56
36	CPS Energy	2,080.09	2,080.09
38	Mercedes-Benz Financial Services USA LLC	110,116.88	110,116.88
65	Bankers Healthcare Group, LLC	568,301.66	568,301.66
79-2	IPFS Corporation	184.36	184.36
95	Wedgewood Investments, LP	100,000.00	100,000.00
122	National Liability & Fire Insurance Company	-	-
131	Texas Workforce Commission	924.44	924.44
140	LMJ IMAGING SERVICES OPEN MRI INC	92,492.00	92,492.00
129,149	Stelzer Chiropractic Neurology Center	56,126.00	56,126.00
175	Edward St.Pe' - Rue Dumaine Development,	412,525.42	412,525.42
<b>Total Class 2.A: General Unsecured Claims Against CP&amp; \$</b>		<b>\$ 2,154,716.84</b>	<b>\$ 4,362,610.47</b>

[1]

[1] The estimated allowed claim is assumed to be the amount listed in the bankruptcy schedules unless a proof of claim was filed.

**Christopher Pettit & Associates, P.C. (22-50591)**

Class 3.A: Subordinated Claims Against CP&A

DETAILED SCHEDULES					
Claim #	Class 3.A: Subordinated Claims Against CP&A	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim	[1]
80	Christopher Jean-Claude Pettit Irrevocable Tru	\$ 1,190,509.18	\$ 800,000.00	\$ 800,000.00	
	Pettit Living Trust	1,890,511.49	-	1,890,511.49	
182	John G and Rose Rose Marie	-	1,700,000.00	1,700,000.00	
183	Rose Marie Claude Pettit Living Trust	-	840,000.00	840,000.00	
184	Pettit Irrevocable Trust	-	780,000.00	780,000.00	
185	DLL	-	17,059.16	17,059.16	
186	Leo Alexander Christopher Martinez	-	3,500.00	3,500.00	
187	Hillsdale College	-	140,000.00	140,000.00	
189	Chicago Title of Texas LLC	-	5,462,395.27	5,462,395.27	
188	James C. Horan and Gennifer Horan	-	1,509,148.47	1,509,148.47	
191	Stephen E. Luna	-	155,946.14	155,946.14	
<b>Total Class 3.A: Subordinated Claims Against CP&amp;A</b>		<b>\$ 3,081,020.67</b>	<b>\$ 11,408,049.04</b>	<b>\$ 13,298,560.53</b>	

[1] The estimated allowed claim is assumed to be the amount listed in the bankruptcy schedules unless a proof of claim was filed.

**Christopher John Pettit (22-50592)**

Summary of Claims Pool

SUMMARY SCHEDULE			
	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
Class 1.A: Counsel Financial Secured Claim	\$ -	\$ 4,952,062.21	\$ 2,250,000.00
Class 1.B: Secured Tax Claims	-	17,247.56	17,247.56
Class 1.C: Other Secured Claims	-	-	-
Class 2.A: Former Client General Unsecured Claims Against Pettit	100,659,204.07	204,272,977.46	229,495,499.05
Class 2.B: Other General Unsecured Claims Against Pettit	2,162,937.49	7,592,462.26	9,755,286.75
Class 3.B: Subordinated Claims Against Pettit	3,431,020.67	40,085,147.71	42,325,659.20
<b>Totals</b>	<b>\$ 106,253,162.23</b>	<b>\$ 256,919,897.20</b>	<b>\$ 283,843,692.56</b>

**Christopher John Pettit (22-50592)**

Class 1.A: Counsel Financial Secured Claim

DETAILED SCHEDULES				
Claim #	Class 1.A: Counsel Financial Secured Claim	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
104	Counsel Financial Holdings LLC	Unknown	\$ 3,824,621.78	\$ 2,250,000.00
105	Counsel Financial II LLC	-	1,127,440.43	-
<b>Total Class 1.A: Counsel Financial Secured Claim</b>		<b>\$ -</b>	<b>\$ 4,952,062.21</b>	<b>\$ 2,250,000.00</b>

[1]

[1]

The estimated allowed claim is based on the Order Granting Joint Motion Under Bankruptcy Rule 9019 To Approve Compromise And Settlement Among Counsel Financial Entities, Mark And Robin Verstuyft, And Eric Terry, Chapter 11 Trustee For The Bankruptcy Estates Of Christopher John Pettit And Chris Pettit & Associates, P.C. dated July 1, 2024.

**Christopher John Pettit (22-50592)**

Class 1.B: Secured Tax Claims

DETAILED SCHEDULES					
Claim #	Class 1.B: Secured Tax Claims	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim	[1]
116	Nueces County		17,247.56	17,247.56	
<b>Total Class 1.B: Secured Tax Claims</b>		<b>\$ -</b>	<b>\$ 17,247.56</b>	<b>\$ 17,247.56</b>	

[1] The estimated allowed claim is assumed to be the amount listed in the bankruptcy schedules unless a proof of claim was filed.



**Christopher John Pettit (22-50592)**

Class 2.A: Former Client General Unsecured Claims Against Pettit

DETAILED SCHEDULES						
Claim #	Class 2.A: Former Client General Unsecured Cl.	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim		
79	Alberto Rodriguez	\$ 1,243,949.58	\$ 1,236,760.50	\$ 1,236,760.50		
109	Alfred West Ward and Patricia Jane Ward		76,927.99	76,927.99		
111	Amy Rose Pridgen	Unknown	115,566.12	115,566.12		
108	Anastasia Stewart Trust		795,724.65	795,724.65		
54	Barbara Carol Mellott	Unknown	365,888.52	365,888.52		
57	Belinda Stanush	-	462,950.37	462,950.37		
101	Betty June Krahn	481,228.79	1,586,004.21	1,586,004.21		
39	Bruce H. and Mary Bengel	5,186,633.31	5,186,633.31	5,186,633.31		
103	Cartwright Living Trust and Phillip Cartwright		250,000.00	250,000.00		
55	Charles Koch and Barbara Koch		1,695,000.00	1,695,000.00		
35	Charmaine Benson	Unknown	801,000.00	801,000.00		
110	Coker Dailey Irrevocable Trust	3,696,135.62	3,801,036.62	3,801,036.62		
14	David and Helen Landman	407,505.76	407,505.76	407,505.76		
100	Eddie and Lou Ann Dreamkowski	5,064,274.45	5,364,819.60	5,364,819.60		
50	Eddie Molina	629,329.02	629,329.02	629,329.02		
107	Estate of Questa Corona Devage, deceased		983,338.44	983,338.44		
71	Eva Corbo	Unknown	581,860.48	581,860.48		
84	F. E. Marshall Family Limited Partnership		9,726,410.34	9,726,410.34		
73	Frank and Emma Persyn Family	14,438,183.00	14,621,432.15	14,621,432.15		
74	Frank G. Persyn, Jr.	2,638,342.35	2,671,828.79	2,671,828.79		
58	Galen Lee	Unknown	177,000.00	177,000.00		
70	Gordon & Wendy Kuenemann	Unknown	907,577.58	907,577.58		
77	Henry J. Persyn	2,481,300.33	2,512,793.01	2,512,793.01		
12-2	Internal Revenue Service		182,256.37	182,256.37		
51	Irma Castiglione	See Eddie Molina	629,329.02	629,329.02		
114	James Armstrong & Carol Armstrong	3,154,199.47	55,000,000.00	55,000,000.00		
24	James Craig Horan and Gennifer Horan	Unknown	1,509,148.47	1,509,148.47		
	James V. Nolte, Adilmira Nolte and Nolte					
32-2	Living Tr	540,199.03	842,245.84	842,245.84		
40	Jamie Spears Montelongo	Unknown	95,317.80	95,317.80		
28-2	Jason and Ashley Forsyth	507,790.97	695,533.48	695,533.48		
29	Jason and Ashley Forsyth	Duplicate	697,790.97	697,790.97		
26-2	Jeffery B. Halay	127,540.11	210,000.00	210,000.00		
88	John Phillip Santos, Executor		369,344.45	369,344.45		
64	Joyce E. Locke	Unknown	1,056,521.59	1,056,521.59		
61	Karen and Wade Seifert	Unknown	128,024.08	128,024.08		
62	Karen and Wade Seifert	Duplicate	167,805.36	167,805.36		
72	Ken & Shelli Scott	494,182.84	147,131.94	147,131.94		
68	Kenneth Scott	Unknown	147,131.94	147,131.94		
97	Kenneth W. Paris	4,340,852.15	9,932,522.14	9,932,522.14		
95	Kostantinos and Rena Kastis		310,000.00	310,000.00		
80	Laura Kubesh	1,523,482.80	1,542,818.64	1,542,818.64		
27-2	Lee and Tiffany Skinner	Unknown	59,430.96	59,430.96		
81	Leslie Ann Persyn		1,320,293.59	1,320,293.59		
36	Linda Wetz	146,450.71	146,450.71	146,450.71		
85	Lorena Isamar Made		2,000,000.00	2,000,000.00		
34	Luis and Maxine Elizondo	1,237,678.17	1,173,169.34	1,173,169.34		
86	Luz Marina Made		1,000,000.00	1,000,000.00		
	Marshall Living Trust; R. Molina; M. L.					
83	Marshall;	4,225,538.30	9,726,410.34	9,726,410.34		
56	Martha B. Samaniego		177,976.51	177,976.51		

[1]

**Christopher John Pettit (22-50592)**

Class 2.A: Former Client General Unsecured Claims Against Pettit

DETAILED SCHEDULES					
Claim #	Class 2.A: Former Client General Unsecured Cl.	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim	[1]
96	Mary L. Skaines	47,112.99	79,182.20	79,182.20	
90	Michael Archer and Gary Archer	2,154,707.98	2,536,381.62	2,536,381.62	
37	Michael E Kastis & Paula Kastis	218,715.35	218,715.35	218,715.35	
25-2	Michael Halay	2,827,894.52	2,827,894.52	2,827,894.52	
75	Ms. Leigh Sibley	1,172,162.07	1,180,084.36	1,180,084.36	
60	Pamela Pilgrim		837,171.29	837,171.29	
112	Paul Patrick Black Heritage Trust		6,086,817.06	6,086,817.06	
82	Pilgrim Mortgage, LLC	3,550,208.98	7,131,218.27	7,131,218.27	
38	PM Kastis, LLC		6,942.22	6,942.22	
89	Pogue & Company dba JLP Builders, Inc.	311,495.53	1,835,057.33	1,835,057.33	
9	Rena Kastis		310,000.00	310,000.00	
45	Rhonda Mylnar	279,347.16	298,223.46	298,223.46	
46	Richard Mylnar and Rhonda Mylnar	2,318,737.15	2,440,741.88	2,440,741.88	
53	Richard Warncke	Unknown	46,000.00	46,000.00	
44	Rick L. Mylnar	393,487.03	419,276.83	419,276.83	
19	Robert L. Taylor Living Trust		358,844.13	358,844.13	
20	Robert L. Taylor Living Trust		358,844.13	358,844.13	
115	Robert Walsh, Trustee		10,173,915.82	10,173,915.82	
63	Robin and Mark Verstuyft	2,860,000.00	3,483,493.86	3,483,493.86	
42	Ronald Rowan Pilgrim		86,795.30	86,795.30	
	Ross Family Clinics D/B/A ChiroCare Injury				
106	Rehab		551,285.50	551,285.50	
21	Samuel Scott Reed		394,606.25	394,606.25	
10	Sharon Brimhall	2,028,702.09	2,028,702.09	2,028,702.09	
41-2	Sharon Rakowitz, et al.	Unknown	2,400,000.00	2,400,000.00	
78	Sibley Living Trust	1,174,606.89	1,968,319.99	1,968,319.99	
	Stephen Robert Jones as Independent				
91	Executor of		480,702.24	480,702.24	
	Stephen Robert Jones as Independent				
92	Executor of		580,957.99	580,957.99	
	Stephen Robert Jones as Independent				
94	Executor of		1,161,915.98	1,161,915.98	
	Stephen Robert Jones as Successor Death				
93	Trustee of		580,957.98	580,957.98	
52	Taylor Living Trust	Unknown	2,817,327.34	2,817,327.34	
48	Theo Cheatham Pilgrim	2,154,707.98	2,154,707.98	2,154,707.98	
30	Thomas Becker		71,446.73	71,446.73	
76	Travis and Debra Benke		264,533.51	264,533.51	
47	Ty Mylnar		39,796.76	39,796.76	
113	Wayne and Barbara Benke	1,380,000.00	3,738,076.49	3,738,076.49	
65	Wedgewood Investments, LP		100,000.00	100,000.00	
	Angelita Vossler	Unknown		Unknown	
	Arlene Becker	Unknown		Unknown	
	Arlene Kreitz Hengst Trust	Unknown		Unknown	
	Barbara Fuller	Unknown		Unknown	
	Barbara Morales	64,990.77		64,990.77	
	Betty N. Nelson	2,301,778.79		2,301,778.79	
	Brady Wise	242,000.00		242,000.00	
	Brenda Nickels Living Trust	1,427,793.02		1,427,793.02	
	Brenda O'Brien	Unknown		Unknown	
	Carolyn Oglesby	482,496.85		482,496.85	
	Christine McQueary	Unknown		Unknown	
	Christopher Eardley	Unknown		Unknown	
	Connie F. Gonzales	32,000.00		32,000.00	
	Dan and Diana Ibarra Mendez	-		-	

**Christopher John Pettit (22-50592)**

Class 2.A: Former Client General Unsecured Claims Against Pettit

DETAILED SCHEDULES					
Claim #	Class 2.A: Former Client General Unsecured Cl.	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim	[1]
	David Day	Unknown		Unknown	
	Deidre Persyn	974,050.00		974,050.00	
	Diane P. Hengst	Unknown		Unknown	
	Dr. Robbie W. Henwood	826,626.47		826,626.47	
	Dr. Salvador Ortiz	-		-	
	Dwight Marshall	2,112,769.15		2,112,769.15	
	Edie Tyler	Unknown		Unknown	
	Emily Samuel Special Needs Trust	8,717.92		8,717.92	
	Estrada Factor	Unknown		Unknown	
	Felicia C. Morales	749,340.32		749,340.32	
	Gladys Stein Estate	Unknown		Unknown	
	Hughes Estate	Unknown		Unknown	
	Jacqueline Rios	319,711.54		319,711.54	
	Jacquie Brown	751,554.90		751,554.90	
	Karen Hengst May	Unknown		Unknown	
	Lawrence Wayne Hengst	Unknown		Unknown	
	Linda Bausch Nickels	494,717.89		494,717.89	
	Linda Mae Wehmeyer	316,914.18		316,914.18	
	Louise Lacari	Unknown		Unknown	
	Malcolm R. Gildart Irrevocable Trust	535,248.22		535,248.22	
	Mary Jane Staudt	Unknown		Unknown	
	Mary Kay Holly	Unknown		Unknown	
	Michael Kotzur	2,574,789.92		2,574,789.92	
	Michael Morales	25,000.00		25,000.00	
	Michael Pilgrim	Unknown		Unknown	
	Monica Castillo	54,000.00		54,000.00	
	Mr. and Mrs. Robert C. Kintigh	1,113,789.47		1,113,789.47	
	Pilar Lopez	228,511.49		228,511.49	
	Red Rope Limited	Unknown		Unknown	
	Richard Forsyth	518,479.02		518,479.02	
	Robbie and Beverley Henwood	206,263.10		206,263.10	
	Robert and Tara Jaeckle	Unknown		Unknown	
	Robert Kintigh	Unknown		Unknown	
	Rosenbusch Farm & Ranch, Inc.	333,229.09		333,229.09	
	Sallie Mae Waclawczyk	6,967,539.07		6,967,539.07	
	Scott Bishop	Unknown		Unknown	
	Shannon Edwards	63,880.97		63,880.97	
	The Douglas McDougal Estate and Trust	Unknown		Unknown	
	The Estate of Mary Luna Arratia	Unknown		Unknown	
	The Estate of Schaumann	Unknown		Unknown	
	Tom Dowling	393,411.20		393,411.20	
	Valerie C. Morris	1,102,918.24		1,102,918.24	
	Winnie Bongalis	Unknown		Unknown	
	Yvonne Gibbens	Unknown		Unknown	
<b>Total Class 2.A: Former Client Claims</b>		<b>\$ 100,659,204.07</b>	<b>\$ 204,272,977.46</b>	<b>\$ 229,495,499.05</b>	

[1] The estimated allowed claim is assumed to be the amount listed in the bankruptcy schedules unless a proof of claim was filed.

**Christopher John Pettit (22-50592)**

Class 2.B: Other General Unsecured Claims Against Pettit

DETAILED SCHEDULES					
Claim #	Class 2.B: Other General Unsecured Claims Ag	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim	[1]
13,16	American Express	\$ -	\$ 57,419.15	\$ 57,419.15	
	Apple Card/GS Bank USA	1,281.00	-	1,281.00	
	Bank of America	22,797.00	-	22,797.00	
22	Bank of America, N.A.	-	23,374.21	23,374.21	
	Barclays Bank Delaware	35,396.00	-	35,396.00	
	Broadway National Bank	-	-	-	
	CAP1/NEIMN	89,592.00	-	89,592.00	
	Chase - Card Member Service	54,894.06	-	54,894.06	
	Citi Cards/Citibank	-	-	-	
	Credit Human-HL	-	-	-	
2	Discover Bank	113.00	113.81	113.81	
	DMI/SYNOVUS BANK	-	-	-	
	Farm Bureau Bank	-	-	-	
	Harley Davidson Credit	-	-	-	
	IRM Capital, LLC	90,000.00	-	90,000.00	
	JPMCB Card Services	55,893.00	-	55,893.00	
	Libertas	559,634.90	-	559,634.90	
	Luxury Card	33,000.00	-	33,000.00	
	M&M Marble	Unknown	-	Unknown	
	Mercedes-Benz Financial Services	-	-	-	
	Neiman Marcus	Unknown	-	Unknown	
	Porsche Financial Srvcs	-	-	-	
	SYNCB/PPC	5,616.00	-	5,616.00	
	Tiffany & Co.	Unknown	-	Unknown	
	Toyota Motor Credit Corp.	-	-	-	
	U.S. Bank	16,914.00	-	16,914.00	
	UFS	244,041.00	-	244,041.00	
	Westwood Funding Solutions	953,765.53	-	953,765.53	
17	Source Capital Funding, Inc.	-	2,645,010.69	2,645,010.69	
87	Paesanos Parkway Imaging I, LLC	-	116,500.00	116,500.00	
3-2	Refi LLC, c/o Systems & Services Technologies, Inc	-	-	-	
4,5	Wells Fargo Bank, N.A.	-	8,354.56	8,354.56	
6,7,8,11	JPMorgan Chase Bank, N.A.	-	128,056.44	128,056.44	
15-2	Wells Fargo National Bank West	-	311,923.62	311,923.62	
18	Capital One Bank (USA), N.A.	-	76,264.65	76,264.65	
33	U.S. Bank National Association	-	16,975.75	16,975.75	
43	Bankers Healthcare Group c/o Pinnacle Bank	-	18,128.87	18,128.87	
49	Bankers Healthcare Group, LLC	-	568,301.66	568,301.66	
59	Synchrony Bank	-	5,641.23	5,641.23	
99	Jefferson Financial Federal Credit Union	-	551,882.43	551,882.43	
102	Winter Park National Bank	-	3,050,810.64	3,050,810.64	
31	CPS Energy	-	9,613.49	9,613.49	
66	AT&T Mobility II LLC	-	1,403.95	1,403.95	
67	Southwestern Bell Telephone Company	-	560.85	560.85	
98-2	City of San Antonio acting by and through	-	2,126.26	2,126.26	
<b>Total Class 2.B: General Unsecured Claims Against Pettit</b>		<b>\$ 2,162,937.49</b>	<b>\$ 7,592,462.26</b>	<b>\$ 9,755,286.75</b>	

[1] The estimated allowed claim is assumed to be the amount listed in the bankruptcy schedules unless a proof of claim was filed.

**Christopher John Pettit (22-50592)**

Class 3.B: Subordinated Claims Against Pettit

DETAILED SCHEDULES				
Claim #	Class 3.B: Subordinated Claims Against Pettit	Per Bankruptcy Schedules	Per Proof of Claim	Estimated Allowed Claim
	Christopher Jean-Claude Pettit Irrevocable Trust	\$ 1,190,509.18		\$ -
	Justin Hebert	350,000.00		350,000.00
	Pettit Living Trust	1,890,511.49		1,890,511.49
117	Michael L Reed	Unknown	1,500,000.00	1,500,000.00
118	Brent Robert Barry		11,000.00	11,000.00
119	Chicago Title of Texas LLC		5,462,395.26	5,462,395.26
	Eric Terry, Chapter 11 Trustee for the Estate			
120	of C		33,111,752.45	33,111,752.45
<b>Total Class 3.B: Subordinated Claims Against Pettit</b>		<b>\$ 3,431,020.67</b>	<b>\$ 40,085,147.71</b>	<b>\$ 42,325,659.20</b>

[1]

[1] The estimated allowed claim is assumed to be the amount listed in the bankruptcy schedules unless a proof of claim was filed

**Exhibit D**

**Retained Causes of Action**



Security Life of Denver Insurance Company	Debtors' Financial Services Provider
Northwestern Mutual	Debtors' Financial Services Provider
Lincoln Financial Group	Debtors' Financial Services Provider
Pacific Life	Debtors' Financial Services Provider
Foresters Financial	Debtors' Financial Services Provider
First All America	Debtors' Financial Services Provider
Justin Hebert	Insider
Brian Beehler	Insider
Theodore Fournier	Insider
Russell Ehrens	Insider
Benjamin Pitlock	Insider
Oak Hills Financial Group, Inc.	Insider
Olmos Park Properties, Inc.	Insider
Piccoli Properties, Inc.	Insider
Christopher John Pettit, Trustee of the Christopher Jean-Claude Pettit Trust	Insider
Salvador Ortiz	Former Client of CP&A, P.C.
Paul Black	Former Client of CP&A, P.C.
KHOV Winding Bay II, LLC	Debtors' Contractor
Ohana Outdoor Living, Inc.	Debtors' Contractor
Aloha Pools of Central Florida, LLC	Debtors' Contractor
Lakeland Imports, Inc.	Debtors' Vehicle Supplier
TT of Vineland, Inc.	Debtors' Vehicle Supplier
Jet Linx Aviation, LLC	Debtors' Transportation Services Supplier
Tiffany and Company	Debtors' Jewelry Supplier
Martin & Drought, PC	Debtors' Litigation and Bankruptcy Counsel
KC Sundance Plaza Partners, Ltd.	Debtors Investment Vehicle
KM Funding, LLC	Debtors Investment Vehicle

The Estates preserve and transfer to the Liquidating Trusts the Estates' rights, claims, counterclaims, causes of action, setoffs, and recoupments, whether asserted or unasserted, arising in any proceedings, including proceedings in courts at law, courts at equity, arbitrations, mediations, or other proceedings, including the following proceedings, whether original proceedings, removed, transferred, referred, or otherwise, to which the Estates are parties, and any appeals arising therefrom, including the following:

- Adversary Proceedings Pending in the United States Bankruptcy Court for the Western District of Texas
  - 22-05068 National Liability & Fire Insurance Company v. Terry et al.
  - 22-05080 Frank and Emma Persyn Family Ltd. Partnership v. Chicago Title of Texas LLC et. al
  - 23-05039 Verstuyft v. Wells Fargo Bank et al.
  - 23-05078 Source Capital Funding, Inc. v. Terry
  - 23-05088 Armstrong v. Wells Fargo Bank et al.



- 24-05016 Principal Life Insurance Company v. Terry et al.
- 24-05025 Terry v. Oak Hills Financial Group, Inc.
- 24-05026 Terry v. Olmos Park Properties, Inc.
- 24-05027 Terry v. Piccoli Properties, Inc.
- 24-05028 Terry v. Ortiz-Carillo
- 24-05029 Terry v. Beehler et al.
- 24-05030 Terry v. Pettit et al.
- 24-05031 Terry v. Texas Partners Bank
- 24-05032 Terry v. Jet Linx Aviation, LLC
- 24-05033 Terry v. Tiffany and Company
- 24-05034 Terry v. Frost Bank
- 24-05035 Terry v. Fournier
- 24-05036 Terry v. Pitlock
- 24-05037 Terry v. Ehrens
- Proceedings Pending in the United States District Court for the Western District of Texas
  - 5:22-cr-00653-OLG-1 United States of America v. Pettit
  - 5:23-cv-01033-FB Terry v. Wells Fargo Bank
  - 5:24-cv-00176-FB Terry v. Wells Fargo Bank
  - 5:24-cv-00177-FB Armstrong v. Frost Bank
  - 5:24-cv-00229-JKP-RBF Beyer v. Wells Fargo Bank
- Proceedings Pending in the 438<sup>th</sup> District Court of Bexar County, Texas
  - 2023-CI-22344 Armstrong v. Wells Fargo Bank, N.A. et al.