



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed November 26, 2025

United States Bankruptcy Judge

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

In re:

TRICOLOR HOLDINGS, LLC, *et al.*<sup>1</sup>

Debtor.

)  
) Chapter 7  
)

) Case No. 25-33487 (MVL)  
)  
)  
)

**STIPULATION AND AGREED ORDER  
FOR RELIEF FROM THE AUTOMATIC STAY**

Anne Elizabeth Burns, the Chapter 7 trustee (the “Trustee”) of the estates of the above-captioned debtors (the “Debtors”), Wilmington Trust (as defined below), TBK Bank, SSB (“TBK Bank”), and Varilease Finance, Inc. and VFI ABS 2023-1, LLC (collectively, “Varilease,” and

<sup>1</sup> The Debtors in these chapter 7 cases are as follows: Tricolor Holdings, LLC, TAG Intermediate Holding Company, LLC (Case No. 25-33495), Tricolor Auto Group, LLC (Case No. 25-33496), Tricolor Auto Acceptance, LLC (Case No. 25-33497), Tricolor Insurance Agency, LLC (Case No. 25-33512), Tricolor Home Loans LLC dba Tricolor Mortgage (Case No. 25-33511), Tricolor Real Estate Services, LLC (Case No. 25-33514), TAG California Holding Company, LLC (Case No. 25-33493), Flexi Compras Autos, LLC (Case No. 25-33490), TAG California Intermediate Holding Company, LLC (Case No. 25-33494), Tricolor California Auto Group, LLC (Case No. 25-33502), Tricolor California Auto Acceptance, LLC (Case No. 25-33501), Risk Analytics LLC (Case No. 25-33491), Tricolor Tax, LLC (Case No. 25-33515), Tricolor Financial, LLC (Case No. 25-33510), Tricolor Auto Receivables LLC (Case No. 25-33498), TAG Asset Funding, LLC (Case No. 25-33492), and Apoyo Financial, LLC (Case No. 25-33489).



together with the Trustee, Wilmington Trust, and TBK Bank, the “Parties”) hereby enter into this stipulation and order (this “Stipulation and Agreed Order”):

**RECITALS**

**WHEREAS**, on September 10, 2025 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 7 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Texas (the “Court”);

**WHEREAS**, the Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2);

**WHEREAS**, on June 30, 2020, Varilease and Tricolor Auto Group, LLC entered into that certain Master Lease Agreement, as same was amended on January 12, 2021 to add Tricolor Holdings, LLC and Tricolor California Auto Group, LLC as co-lessees (together with Tricolor Auto Group, LLC, the “VFI Co-Lessees”);

**WHEREAS**, in connection with the Master Lease Agreement, Varilease and the VFI Co-Lessees also entered into various related agreements, including without limitation Schedule No. 4 and related Sale Leaseback Agreement, each dated February 2, 2022; Schedule No. 5 and related Sale Leaseback Agreement, each dated February 2, 2022; Schedule No. 6 and related Sale Leaseback Agreement, each dated December 18, 2023; and Schedule No. 7 dated March 31, 2025 (collectively, the “Schedules,” the Master Lease Agreement, the Schedules, and all related agreements, as amended, are referred to collectively herein as the “VFI Lease”);

**WHEREAS**, under the terms of the Lease, which Varilease asserts is a true lease, Varilease leased certain equipment (the “VFI Equipment”) to the VFI Co-Lessees which can generally be divided into two categories: GPS units affixed (or to be affixed) to cars in the Debtors’ inventory prior to sale (“GPS Units”) and items used at the Debtors’ various locations, like office equipment, signage, and auto repair equipment (the “Office/Shop Equipment”);

**WHEREAS**, on October 17, 2025, Varilease filed its *Notice of Motion and Motion for Relief from the Automatic Stay* [Docket No. 214] (the “VFI Motion”) relating to the VFI Lease;

**WHEREAS**, on October 31, 2025, counsel for the Trustee advised Varilease that she intended to object to the VFI Motion, and Varilease granted extensions of the objection deadline to facilitate this Stipulation and Agreed Order and preserve resources;

**WHEREAS**, Varilease also granted extensions of the objection deadline to TBK Bank to facilitate this Stipulation and Agreed Order and preserve resources;

**WHEREAS**, on October 31, 2025, Wilmington Trust filed its *Limited Objection and Reservation of Rights* [Docket No. 300] (the “Wilmington Trust Objection,” together with the unfiled objections of the Trustee and TBK Bank, the “Objections”) in response to the VFI Motion;

**WHEREAS**, other than the Objections, there were no other objections to the VFI Motion;

**WHEREAS**, as of November 9, 2025, which was the 60<sup>th</sup> day following the Petition Date, the VFI Lease is deemed rejected by operation of 11 U.S.C. § 365(d)(1); and

**WHEREAS**, since the VFI Equipment is burdensome to the estate and there is no equity in the VFI Equipment, and for the avoidance of doubt notwithstanding the automatic rejection of the VFI Lease under § 365(d)(1) and the resulting termination of the automatic stay under § 365(p)(1), the Parties seek to resolve certain outstanding issues relating to the VFI Motion and the Objections on the terms set forth herein.

**STIPULATION AND AGREED ORDER**

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES AND UPON APPROVAL OF THE COURT, IT IS SO ORDERED:**

1. Sufficient cause exists to grant Varilease relief from the automatic stay pursuant to § 362(d) of the Bankruptcy Code, and therefore such relief is granted to Varilease effective as of November 9, 2025 as set forth herein.

2. As requested by Varilease in the VFI Motion, Varilease may, without limitation (collectively, the “VFI Recovery Activities”), and subject to paragraph 9(b) herein:

- a. Access and take possession of any and all of the GPS Units which it leased to any of the Debtors prior to the Petition Date pursuant to the VFI Lease.
- b. Access and take possession of any and all of the Office/Shop Equipment which it leased to any of the Debtors prior to the Petition Date pursuant to the VFI Lease, *provided that* Varilease agrees to reasonably cooperate and work in good faith with any landlords with respect to the enforcement of Varilease’s rights in the Office/Shop Equipment.
- c. Sell, re-lease, or otherwise dispose of such VFI Equipment; and
- d. Take any steps necessary to access GPS location data for such equipment in the control of Ituran USA, Inc., *provided that* nothing in this Order may be construed as excusing compliance with any applicable law limiting access to said GPS location data.

3. To the extent not already abandoned, the Trustee hereby abandons the estates’ interest in the VFI Equipment pursuant to Section 554(a) and (b) of the Bankruptcy Code, effective as of the entry of the Stipulation and Order.

4. The VFI Lease is rejected pursuant to Section 365(d)(1) of the Bankruptcy Code, effective as of November 9, 2025.

5. All of Varilease's rights with respect to filing any claim(s) relating to the VFI Lease are preserved, as are all of the Trustee's rights or any other party in interest's rights to object to such claim(s); provided, however, that Varilease waives any claims it may have or assert against the Debtors' estates and the Trustee related to or resulting from the VFI Recovery Activities.

6. The Parties agree to litigate any claims filed by Varilease, if necessary, pursuant to the claims' reconciliation process as set forth in these Bankruptcy Cases by the Court and pursuant to the Bankruptcy Code.

7. Subject to the terms of this Stipulation and Agreed Order, the Proof of Claim arising from the VFI Lease shall be filed on or before any deadline established by the Court for creditors to file proofs of claim.

8. The Trustee agrees to reasonably cooperate with Varilease with respect to the identification and removal of any VFI Equipment.

9. With respect to the Wilmington Trust Objection, and to address the concerns of TBK Bank prior to the filing of any formal objection (for the avoidance of doubt, this Stipulation and Order fully resolves the Trustee's unfiled Objection),

- a. As to the Wilmington Trust Objection, and to fully resolve same, nothing herein shall (i) be deemed to modify, amend, minimize, impact or otherwise effect the rights, claims and interests of Wilmington Trust, National Association, in its capacities set forth in the Amended Notice of Appearance and Request for Service of Papers [Docket No. 34] ("Amended Notice") (collectively, "Wilmington Trust" and such trusts referenced by the Amended Notice, the "Trusts"), in, and to the vehicles or other property owned by, or pledged to, the Trusts (collectively, "Trust Property"), and as

against all persons and entities, and (ii) authorize or empower Varilease to transfer, liquidate or otherwise exercise any control (directly or indirectly) over any of the Trust Property. Varilease shall coordinate with Wilmington Trust with respect to the prompt turnover by Varilease of the Trust Property that may come into Varilease's possession.

- b. As to TBK Bank, and notwithstanding anything contained in this Stipulation and Agreed Order to the contrary, Varilease shall not (i) access, remove, or take possession of any GPS Units affixed to any vehicles in which the Trustee or TBK Bank has an ownership or security interest, wherever located, without consent from the Trustee and/or TBK Bank, or ii) take any other action that may result in damage to such vehicles. To the extent any GPS Units are affixed to any vehicles, Varilease agrees to reasonably cooperate with the Trustee, Vervent, Inc., or any other Court-authorized third party with respect to the removal of such GPS Units without damage to any vehicles.

10. Except as otherwise provided herein, nothing in this Stipulation and Agreed Order, nor any actions taken pursuant hereto, shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) except as set forth herein, a waiver by Varilease of any of its claims, rights, or remedies against any landlords or any other entities or parties; (c) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (d) a promise or requirement to pay any claim; (e) an implication, admission, or finding that any particular claim is an administrative expense claim, secured claim, other priority claim, or unsecured claim; or (f) a

waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law.

11. Nothing contained in this Stipulation and Agreed Order shall be construed to affect the disposition of any Vehicles or legal rights related thereto.

12. Varilease is authorized and empowered to take all actions necessary to implement the relief evidenced by this Stipulation and Agreed Order.

13. This Stipulation and Agreed Order is intended by the Parties to be binding upon their successors, agents, assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary, or affiliated entity of the Parties.

14. The undersigned hereby represent and warrant that they have full authority to execute this Stipulation and Agreed Order on behalf of the respective parties and that the respective parties have full knowledge of, and have consented to, this Stipulation and Agreed Order. This Stipulation and Agreed Order may be executed in counterparts and/or by facsimile or other electronic signature, and each such counterpart together with the others shall constitute one and the same instrument.

15. The Parties agree that each of them has had a full opportunity to participate in the drafting of this Stipulation and Agreed Order and any claimed ambiguity shall be construed neither for nor against either of the Parties.

16. This Stipulation and Agreed Order constitute the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

17. This Stipulation and Agreed Order shall not be modified, altered, amended, or supplemented except by a writing executed by the Parties or their authorized representatives.

18. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation and Agreed Order, and the Parties hereby consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation and Agreed Order.

19. This Order is effective immediately upon entry and is not stayed pursuant to Fed. R. Bankr. P. 4001(a)(4).

**### END OF ORDER ###**



**STIPULATED AND AGREED TO BY: MCDERMOTT WILL & SCHULTE LLP**

Dated November 24, 2025.

/s/ Eric C. Seitz  
Charles R. Gibbs (TX Bar No. 7846300)  
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-and-

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2023-1, LLC, as assignee of Varilease Finance, Inc.*

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*Counsel to TBK Bank, SSB*

**CERTIFICATE OF SERVICE**

I do hereby certify that on November 24, 2025, a true and correct copy of the foregoing document was served via CM/ECF for the United States Bankruptcy Court for the Northern District of Texas on all parties authorized to receive electronic notice in this case.

/s/ Christopher J. Schreiber

Christopher J. Schreiber