

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

<p><b>In re:</b></p> <p><b>TRICOLOR HOLDINGS, LLC, <i>et al</i><sup>1</sup></b></p> <p><b>Debtors.</b></p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p><b>Case No. 25-33487 (MVL)</b></p> <p><b>Chapter 7</b></p>
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**TEXAS TAXING AUTHORITIES' JOINT LIMITED OBJECTION  
TO CHAPTER 7 TRUSTEE'S EMERGENCY MOTION TO (I) SELL ESTATE ASSETS  
FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (II)  
ESTABLISH SALE PROCEDURES, AND (III) GRANTING RELATED RELIEF  
(Responding to Doc 456)**

**TO THE HONORABLE MICHELLE V. LARSON:**

**NOW COME** the Texas Taxing Authorities<sup>2</sup>, secured creditors and parties in interest herein, and file this Joint Limited Objection to *Chapter 7 Trustee's Emergency Motion to (I) Sell Estate Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Establish Sale Procedures, and (III) Granting Related Relief* (the "Motion"), respectfully showing as follows:

1. The Texas Taxing Authorities are subdivisions of the State of Texas and, as such, are authorized to levy and assess *ad valorem* taxes on the value of property located within their taxing jurisdictions as of January 1 of each tax year, pursuant to Texas Property Tax Code Section 32.01.

2. The Texas Taxing Authorities hold secured pre-petition claims for *ad valorem* property taxes against all of the business personal property of the Debtors, including vehicles,

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<sup>1</sup> The Debtors in these Chapter 7 cases are as follows: Tricolor Holdings, LLC, TAG Intermediate Holding Company, LLC, Tricolor Auto Group, LLC, Tricolor Auto Acceptance, LLC, Tricolor Insurance Agency, LLC, Tricolor Home Loans LLC dba Tricolor Mortgage, Tricolor Real Estate Services, LLC, TAG California Holding Company, LLC, Flexi Compras Autos, LLC, TAG California Intermediate Holding Company, LLC, Tricolor California Auto Group, LLC, Tricolor California Auto Acceptance, LLC, Risk Analytics LLC, Tricolor Tax, LLC, Tricolor Financial, LLC, Tricolor Auto Receivables LLC, TAG Asset Funding, LLC, and Apoyo Financial, LLC.

<sup>2</sup> Texas Taxing Authorities means all Texas ad valorem taxing entities represented by the firms of Perdue Brandon Fielder Collins & Mott LLP, Linebarger Goggan Blair & Sampson LLP, and McCreary Veselka Bragg & Allen PC, including but not limited to Carrollton-Farmers Branch ISD, Castleberry ISD, Cooke CAD, Fort Bend ISD, City of Houston (for Perdue Brandon Fielder Collins & Mott's accounts), Kingsbridge MUD, Midland County, West Keegans Bayou Improvement District; Bexar County, Dallas County, Ector CAD, Fort Bend County, City of Frisco, Gainesville ISD, Grayson County, Hidalgo County, City of Houston (for Linebarger Goggan Blair & Sampson's accounts), Houston City College, Houston ISD, Irving ISD, Kaufman County, Lewisville ISD, Lone Star College System, City of McAllen, Navarro County, Nueces County, Parker CAD, City of Richardson, Rockwall CAD Tarrant County, Wise County; Bel



located within Texas. These claims are secured by prior, perfected, continuing, and enforceable tax liens (the “Tax Liens”) upon the property of the Debtors, as provided by Sections 32.01 and 32.05(b) of the Texas Property Tax Code.

3. Section 32.01 provides:

(a) On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property, whether or not the taxes are imposed in the year the lien attaches. The lien exists in favor of each taxing unit having power to tax the property.

(b) A tax lien on inventory, furniture, equipment, and other personal property is a lien in solido and attaches to inventory, furniture, equipment, and other personal property that the property owner owns on January 1 of the year the lien attaches or that the property owner subsequently acquires.

(d) The lien under this section is perfected on attachment and...perfection requires no further action by the taxing unit.

TEX TAX CODE § 32.01(a)-(b), (d).

4. Further, pursuant to section 32.05(b) of the Texas Property Tax Code, the Tax Liens are superior to the claims of creditors of the property’s owners and to claims of persons holding liens on the property. Section 32.05(b) provides that “...a tax lien provided by this chapter takes priority over the claim of any creditor of a person whose property is encumbered by the lien. TEX. PROP. TAX CODE § 32.05(b); *See also Central Appraisal District of Taylor County v. Dixie-Rose Jewels, Inc.*, 894 S.W.2d 841 (Tex. App. – Eastland 1995, no writ) (bank’s foreclosure of its purchase money lien on personal property did not defeat or destroy the taxing unit’s statutory tax lien). Further, “the priority given to a tax lien by Subsection (b) prevails, regardless of whether the debt, lien, future interest, or other encumbrance existed before attachment of the tax lien.” TEX. PROP. TAX CODE § 32.05(b-1). The tax liens arise on January 1 of each tax year and “float” to after acquired property. *See City of Dallas v. Cornerstone Bank*, 879 S.W. 2d 264 (Tex. App. - Dallas 1994). The tax liens are *in solido* liens and are liens on all property of the Debtor. *See In re*

*Universal Seismic*, 288 F.3d 205 (5th Cir. 2002). The tax lien is also unavoidable. *See In re Winns*, 177 B.R. 253 (Bankr. W.D. Tex. 1995).

5. By her Motion, the Chapter 7 Trustee (“Trustee”) seeks to sell the assets of the Debtors’ estates. To the extent the Collateral and Vehicles are located or were previously located in the Texas Taxing Authorities’ jurisdictions, the Collateral and Vehicles are subject to the Texas Taxing Authorities’ senior secured *ad valorem* tax liens, and as such, the Texas Taxing Authorities object to the Motion to the extent the Texas Taxing Authorities are not adequately protected by the proposed liquidation process.

6. The Texas Taxing Authorities object as follows:

a. The Motion does not provide for the Texas Taxing Authorities to receive the proposed weekly Vehicle Sales Reports. The Texas Taxing Authorities request that they be added to the list of receiving parties or that the reports be filed publicly with the Court.

b. The Trustee proposes to include certain data in the Vehicle Sales Reports. The proposed data does not include the pre-petition store location of each vehicle, data which is vital to determination of the applicable taxing jurisdiction. The Texas Taxing Authorities therefore request that the Vehicle Sales Reports include the pre-petition store location for each vehicle on the report, if this information is available.

c. Further, the proposed sale provisions require a party asserting a lien or interest in property to file a notice of ownership interest or lien, identifying with particularity (e.g. VIN) the vehicle(s) for which that party asserts an ownership interest or lien. Given the nature of the Tax Liens that arise, attach, and are perfected pursuant to Texas law without any recording requirement, the Texas Taxing Authorities are unable to provide VINs as the Debtors did not provide this information to the Texas Taxing Authorities for each vehicle they held on their lots. Further, the vehicles have been removed from the debtors’ stores

in preparation of the sale. This is further cause in support of the Texas Taxing Authorities' request that the Vehicle Sales Reports include the pre-petition store location for each vehicle on the report, if the information is available. In the event this information cannot be provided, the Texas Taxing Authorities request that they be excluded from providing the VIN information in their Asserted Lien or Interest Notices.

7. The Texas Taxing Authorities are working with counsel for the Trustee to resolve these issues and are hopeful they can be resolved by agreement.

WHEREFORE, PREMISES CONSIDERED, the Texas Taxing Authorities respectfully request that the Court grant them the relief requested herein, as well as grant such other and further relief as may be just.

Dated: December 12, 2025

Respectfully submitted,

**PERDUE, BRANDON, FIELDER,  
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**CERTIFICATE OF SERVICE**

The undersigned does hereby certify that a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas on December 12, 2025.

/s/ Julie Anne Parsons

Julie Anne Parsons