

**MCDERMOTT WILL & SCHULTE LLP**

Charles R. Gibbs (TX Bar No. 7846300)  
Marcus A. Helt (TX Bar No. 24052187)  
Grayson Williams (TX Bar No. 24124561)  
2801 North Harwood Street  
Suite 2600  
Dallas, Texas 75201  
Telephone: (214) 295-8000  
E-mail: [crgibbs@mcdermottlaw.com](mailto:crgibbs@mcdermottlaw.com)  
[mhelt@mcdermottlaw.com](mailto:mhelt@mcdermottlaw.com)  
[gwilliams@mcdermottlaw.com](mailto:gwilliams@mcdermottlaw.com)

**MCDERMOTT WILL & SCHULTE LLP**

Darren Azman (admitted *pro hac vice*)  
One Vanderbilt Avenue  
New York, New York 10017-3852  
Telephone: (212) 547-5400  
E-mail: [dazman@mcdermottlaw.com](mailto:dazman@mcdermottlaw.com)  
  
Julia Beskin (admitted *pro hac vice*)  
919 Third Avenue  
New York, New York 10022  
Telephone: (212) 547-5400  
E-mail: [jbeskin@mcdermottlaw.com](mailto:jbeskin@mcdermottlaw.com)

*Counsel to the Chapter 7 Trustee*

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

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In re: )  
 ) Chapter 7  
 )  
TRICOLOR HOLDINGS, LLC, *et al.*,<sup>1</sup> ) Case No. 25-33487 (MVL)  
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Debtors. )  
 )  
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**TRUSTEE’S OMNIBUS OBJECTION TO CONSUMER MOTIONS FOR  
ENFORCEMENT OF THE AUTOMATIC STAY**

Anne Elizabeth Burns, solely in her capacity as the duly appointed chapter 7 bankruptcy trustee (the “Trustee”) for Tricolor Holdings, LLC and its various debtor affiliates (collectively, the “Debtors”), by and through her undersigned counsel, hereby files this omnibus objection (the

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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, Tricolor Asset Funding, LLC, and Apoyo Financial, LLC.



“Objection”) to the Motions<sup>2</sup> filed by the Movants.<sup>3</sup> In support of the Objection, the Trustee respectfully states as follows:

### **PRELIMINARY STATEMENT**

1. These Chapter 7 Cases have presented almost unprecedented challenges and have been unfortunate for many parties, not least of which, the Movants. The Trustee is sensitive to the concerns of the Movants regarding payment collection, lien releases and repossessions that have arisen in connection with the Chapter 7 Cases.

2. However, to address these concerns and ensure the continued servicing of the Debtors’ consumer auto loans (the “Loans”), Vervent, Inc. (“Vervent”), has been authorized by the Court and provided lawful authority to perform ordinary course account collection and ordinary course lien release and title processing services, among other standard servicing functions.

3. The Trustee has taken significant steps to meet her obligation of establishing Vervent as the back-up servicer of the Loans to ensure continued servicing on behalf of the Debtors’ estates, the Movants, and the Debtors’ various secured lenders. Any servicing issues related to the Loans or disputes amongst the various lenders, do not impact the Movants’ obligation to make timely payments under their respective loans. Payment of the Movants’ obligations are neither legally nor equitably impossible.

4. To the extent the Movants have experienced servicing issues related to the Loans, the Trustee will take steps to remedy these issues. But two wrongs do not make a right. The

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<sup>2</sup> The “Motions” means, collectively, the *Borrower’s Motion to Enforce the Automatic Stay, Clarify the Scope of Servicing Authority, and Preserve Status Quo Pending Determination of Lien Ownership* filed in substantially similar form by Maria Alejandra Ortega [Docket No. 718]; Juan Aciel Calafell Martinez [Docket No. 719]; Felipe Villareal [Docket No. 720]; Jose Manuel Moreno [Docket No. 721]; Maria Isabel Vasquez [Docket No. 722]; and Karla Celina De Santiago Chavez [Docket No. 723].

<sup>3</sup> The “Movants” means, collectively, (i) Maria Alejandra Ortega [Docket No. 718]; Juan Aciel Calafell Martinez [Docket No. 719]; Felipe Villareal [Docket No. 720]; Jose Manuel Moreno [Docket No. 721]; Maria Isabel Vasquez [Docket No. 722]; and Karla Celina De Santiago Chavez [Docket No. 723].

Trustee is committed to ensuring proper servicing of the Loans. The Movants must be committed to perform their duties thereunder as well.

### **BACKGROUND**

5. Prior to the commencement of the Chapter 7 Cases (as defined below), in the ordinary course of business, each Movant entered into a vehicle purchase agreement, financed through a Loan with the Debtors (the “Purchase Agreements”). Schedule A, attached hereto as **Exhibit A**, sets out each Movants’ respective vehicle that was sold pursuant to the Purchase Agreements (the “Vehicles”).

6. On September 10, 2025 (the “Petition Date”), the Debtors commenced their chapter 7 cases (the “Chapter 7 Cases”) by filing voluntary petitions for relief under chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Court”).

7. On September 10, 2025, the Office of the United States Trustee for Region 6 (the “U.S. Trustee”) appointed the Trustee in the Chapter 7 Cases.

8. On September 19, 2025, the Court entered that certain *Order Granting Chapter 7 Trustee’s Motion for Entry of Order Approving Stipulation Between Trustee and Vervent Inc.* [Docket No. 79] (as amended, from time to time, the “Vervent Stipulation”), authorizing Vervent to service the Loans pursuant to the Servicing Agreements (as defined in the Vervent Stipulation).

9. The Movants filed the Motions requesting relief in various forms pursuant to section 105(a) and section 362 of the Bankruptcy Code. In summary, the Movants all primarily want the same thing, (i) to enforce the automatic stay as applied to Movant’s account; (ii) to preserve the status quo pending determination of loan ownership and enforceability; and (iii) to have clarity regarding the servicing authority of Vervent.

## OBJECTION

### **I. Movants Fail to Demonstrate that the Automatic Stay Applies to the Movants' Accounts.**

10. “The automatic stay is one of the fundamental debtor protections provided by the bankruptcy laws.” *In re Timbers of Inwood Forest Assocs., Ltd.*, 793 F.2d 1380, 1409 (5th Cir. 1986), *on reh'g*, 808 F.2d 363 (5th Cir. 1987), *aff'd sub nom. United Sav. Ass'n of Texas v. Timbers of Inwood Forest Assocs., Ltd.*, 484 U.S. 365 (1988) (quoting H.R. Rep. 95-595, 340 (1977), U.S.C.C.A.N. 1978, p. 6296). Specifically, the automatic stay protects against, among other things, (i) “the commencement or continuation ... of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case,” (ii) “any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate,” and (iii) “any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case.” 11 U.S.C. § 362(a)(1), (3), and (6). The Movants suggest that the automatic stay should be enforced to apply to the Movants' accounts. The automatic stay is limited to protecting the Debtors and estate property and does not afford the Movants the relief they seek.

11. The Motions should be denied because the Movants have not demonstrated that they are entitled to protection of the automatic stay.

### **II. Vervent is Authorized to Service the Loans in the Chapter 7 Cases.**

11. Vervent is specifically retained to address the Movants concerns and ensure proper servicing of the Loans. The Vervent Stipulation and Servicing Agreements authorize Vervent to:

- a. perform ordinary course account collection and collateral repossession services in the event of borrower defaults, including, without limitation, sending default notices, repossessing vehicles, liquidating vehicles, and receiving the net proceeds from such liquidations into the Trust Account; and

- b. perform ordinary course lien release and title processing services, including as loans are paid off, or collateral is sold or deemed total losses, which necessitates Vervent to process the required lien release, transfer of ownership, order duplicate titles, and take other related actions.

12. The Movants concerns that no party has demonstrated lawful authority to collect payment or release the lien is addressed through these provisions of the Vervent Stipulation and Servicing Agreements.

13. There is also a significant logical flaw in the Motions between the disputes that have arisen between the Debtors' various lenders regarding the treatment of collateral and the Movant's obligation to pay under the Loans. Any of the Trustee's allegations regarding systemic misconduct of the Debtors prior to the commencement of the Chapter 7 Cases does not relieve the Movants of their obligations under the Loans.

14. The Movants obligation to make payments under the Loans has not been altered by the Chapter 7 Cases and may be made to Vervent who has the lawful authority to collect payment and release liens upon payoff. Moreover, the Movants still have the right to possession and use of the Vehicles they purchased with the Loans and therefore are adequately protected while any issues regarding note ownership or lien rights are adjudicated.

15. Preserving the status quo is exactly what is warranted here. The Trustee has done her part to ensure the Loans are serviced. To the extent there are issues regarding these servicing functions, the Trustee will ensure that either a representative of Vervent or one of the Trustee's professionals personally reaches out to each of the Movants to address their individual concerns. The Movants, on the other hand, need to do their part and meet their obligations under the Loans.

16. The Motions, therefore, should be denied. The Movants also request, pursuant to Bankruptcy Code section 102(1), that relief be granted without a hearing on the Motions. To the extent the Court is not inclined to deny the Motions, the Trustee requests a hearing thereon.

**CONCLUSION**

For the foregoing reasons, the Trustee respectfully requests that the Court deny the Motions, sustain the Objection, and grant the Trustee such other relief as is just and proper.

Dated: February 23, 2026  
Dallas, Texas

**MCDERMOTT WILL & SCHULTE LLP**

/s/ Charles R. Gibbs

Charles R. Gibbs (TX Bar No. 7846300)  
Marcus A. Helt (TX Bar No. 24052187)  
Grayson Williams (TX Bar No. 24124561)  
2801 North Harwood Street  
Suite 2600  
Dallas, Texas 75201  
Tel: (214) 295-8000  
Fax: (972) 232-3098  
E-mail: [cr gibbs@mcdermottlaw.com](mailto:cr gibbs@mcdermottlaw.com)  
[mhelt@mcdermottlaw.com](mailto:mhelt@mcdermottlaw.com)  
[gwilliams@mcdermottlaw.com](mailto:gwilliams@mcdermottlaw.com)

-and-

Darren Azman (admitted *pro hac vice*)  
One Vanderbilt Avenue  
New York, New York 10017-3852  
Tel: (212) 547-5400  
Fax: (212) 547-5444  
E-mail: [dazman@mcdermottlaw.com](mailto:dazman@mcdermottlaw.com)

-and-

Julia Beskin (admitted *pro hac vice*)  
919 Third Avenue  
New York, New York 10022  
Tel: (212) 547-5400  
Fax: (212) 547-5444  
Email: [jbeskin@mcdermottlaw.com](mailto:jbeskin@mcdermottlaw.com)

*Counsel to the Chapter 7 Trustee*

**CERTIFICATE OF SERVICE**

I do hereby certify that on February 23, 2026, a true and correct copy of the foregoing document was served (i) 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 and (ii) via First Class U.S. Mail on the Movants at the addresses listed on the Service List below.

/s/ Charles R. Gibbs

Charles R. Gibbs

**SERVICE LIST**

Maria Alejandra Ortega  
721 Bethel St.  
Paducah, KY 42003

Juan Aciel Calafell Martinez  
9920 Forest Ln., Apt. 322  
Dallas, TX 75243

Felipe Villareal  
3745 N. Planet Ave.  
Odessa, TX 79764

Maria Isabel Vasquez  
5230 W. Aire Libre Ave.  
Glendale, AZ 85306

Karla Celina de Santiago Chavez  
5129 W. Echo Ln.  
Glendale, AZ 85302

Jose Manuel Moreno  
2420 Doty Ln.  
Balch Springs, TX 75180

**EXHIBIT A**

<b><u>Movant</u></b>	<b><u>Vehicle</u></b>	<b><u>VIN</u></b>
Maria Alejandra Ortega [Docket No. 718]	2022/Chevrolet/Silverado 1500	1GCPWCED4NZ117190
Juan Aciel Calafell Martinez [Docket No. 719]	2019/Chevrolet/Equinox	2GNAXJEV8K6246953
Felipe Villareal [Docket No. 720]	2018/Ford/F-150	1FTEW1EG4JFA24154
Jose Manuel Moreno [Docket No. 721]	2020/Chevrolet/Silverado	1GCPYBEK7LZ1845575
Maria Isabel Vasquez [Docket No. 722]	2020/Ram/1500	1C6RREFG8LN229507
Karla Celina de Santiago Chavez [Docket No. 723]	2024/Honda/Civic	2HGFE2F57RH502279