

Sidney H. Scheinberg, Esq.
State Bar No. 17736620
Godwin Bowman, PC
Ross Tower 500 N. Akard, Suite 1100
Dallas, Texas 75201-3499
Telephone: 214.939.4501
Fax: 214.527.3139
Email: SScheinberg@GodwinBowman.com
Attorney for Clay Cooley Motor Company

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

IN RE: § Case No. 25-33487 (MVL)
§
TRICOLOR HOLDINGS, LLC, et al.,¹ § Chapter 7
§
Debtor(s). §

**CLAY COOLEY MOTOR COMPANY’S RESPONSE TO TRUSTEE’S OBJECTION TO
CLAY COOLEY’S AMENDED MOTION TO LIFT AUTOMATIC STAY AND MOTION
FOR ALLOWANCE OF SETOFF**

Arlington N. Motor Company, LLC; CC New Ventures, LLC; Cooley Holdings 3, LLC;
Irving Motor Company, LLC; Plano K. Motor Company, and Clay Cooley Motor Company
(collectively Clay Cooley Motor Company) (“Movants”), by and through its undersigned counsel,
hereby files this response to the Trustee’s (“Trustee”) *Objection to Clay Cooley’s Amended Motion
to Lift Automatic Stay and Motion for Allowance of Setoff* [Docket No. 1030] (the “Objection”).
Movant filed its *Amended Motion to Lift Automatic Stay and Motion for Allowance of Setoff*
[Docket No. 952] on March 19, 2026 (the “Amended Motion”).

¹ 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.



PRELIMINARY STATEMENT

1. The allegations set forth in the Trustee's Objection are disingenuous, lack evidentiary support, and appear to have been asserted in bad faith. Prior to the filing of Clay Cooley's Amended Motion, Movants conferred with counsel for the Trustee on March 18, 2026, for the express purpose of exploring a good-faith resolution of the matters in dispute. Following that conference, the parties agreed to continue the hearing on the *Motion for Relief from Stay* [Docket No. 299], and further agreed that the objection deadline would be extended to seven (7) days prior to the rescheduled hearing date.

2. In response to the allegations, Movant notes that counsel for the Trustee, Grayson Williams, was out of the office from on or about January 26, 2026, through on or about March 17, 2026. During this period, counsel for Movant engaged in substantive settlement negotiations with alternate counsel for the Trustee, Eric Seitz, which occurred continuously from on or about January 26, 2026, through on or about March 12, 2026. Movant notes that a meeting was scheduled on March 18, 2026, which counsel for Movant, based on representations made by Mr. Seitz, reasonably understood was intended for the purpose of discussing a potential settlement of the matters at issue. Contrary to that understanding, upon the return of Mr. Williams and the commencement of the meeting, the discussion devolved into a one-sided beratement and criticism regarding the purported inconceivability of the setoff asserted by Movants.

3. In reliance on these representations and in furtherance of ongoing settlement efforts, Movants acted diligently and in good faith by preparing and filing the Amended Motion in less than twenty-four (24) hours, at the request of Trustee's counsel. Notwithstanding these efforts, Trustee's counsel subsequently sought, and was granted, multiple extensions of the

objection deadline—first to April 6, 2026 at 5:00 p.m., and again to April 7, 2026 at 12:00 p.m.—thereby undermining any suggestion of urgency or prejudice.

4. Thereafter, on March 20, 2026, counsel for the Trustee contacted counsel for Movant requesting clarification regarding two specific transactions, expressly representing that such information was necessary to formulate an informed settlement recommendation to the Trustee. This request further evidences that the parties were actively engaged in good-faith settlement negotiations at all relevant times.

5. Since March 19, 2026, Movants have fully complied with all document requests propounded by Trustee’s counsel and have produced, without limitation, copies of checks issued by Movant, reports generated from internal data management systems, TWIX reports relating to vehicle titles, and invoices issued by Movant to the Debtor. Any implication to the contrary is demonstrably false.

6. In direct rebuttal to Paragraph 3 of the Objection, Movant produced records relating to VIN - 1GN5CAK8GR465099 on March 24, 2026, as reflected in Exhibit “A.”² Moreover, to the extent the Trustee improperly injects settlement communications into the Objection, Movants reiterate that they have consistently maintained that they seek only a setoff for two vehicles purchased pre-petition (VIN Nos. 1GN5CAK8GR465099 and 3C4NJCBB6JT494355), totaling \$24,414.13.³

7. In response to Paragraph 5 of the Objection, Trustee’s counsel inquired whether a check had been issued and subsequently voided. In good faith, Movant promptly provided a copy

² We note that, in prior communications with Trustee’s counsel, we incorrectly identified the vehicle purchased on September 11, 2025, as VIN JTMZFREV9FD053330. This footnote corrects that error. We further note that this correction does not affect the substance of our allegations, as both vehicles were alleged to have been purchased on September 13, 2025; only the VIN numbers were inadvertently transposed.

³ In good faith, we have submitted a modified calculation (shown as Exhibit “D”).

of the voided check. The underlying transaction occurred pre-petition, on July 21, 2025. The Trustee's characterization of this transaction as improper or "senseless" is unfounded, inaccurate, and misleading, particularly given that, at the time, the Debtor was indebted to Movant in excess of \$150,000 for pre-petition purchases.⁴

8. The Trustee's Objection is improper and wholly out of line. Trustee's counsel has impermissibly relied upon and weaponized statements made during confidential settlement negotiations for strategic advantage in this litigation, in direct violation of Rule 408 of the Federal Rules of Evidence. Such conduct is expressly prohibited and serves only to undermine the integrity of the parties' good-faith efforts to resolve this dispute without judicial intervention.

9. Finally, upon information and belief, the conduct of Trustee's counsel reflects an improper attempt to use this proceeding as a platform to advance personal or professional interests, including the creation of novel legal theories or new case law, rather than to efficiently and fairly resolve the issues presented. This approach is inconsistent with counsel's obligations to the Court and the parties and results in a needless expenditure of judicial and party resources.

TITLES

In light of the Trustee's counsel's improper disclosure and use of settlement communications, Movant hereby reaffirms that it seeks only a setoff with respect to the two vehicles purchased pre-petition: (1) VIN No. 1GN5CAK8GR465099 (attached as Exhibit "B"), and (2) VIN No. 3C4NJCBB6JT494355 (attached as Exhibit "C"). Movant has not received title to either vehicle. Further, Movant has remitted payment for VIN No. JN8AS5MT1EW613530, yet the Debtor and/or Trustee continue to retain possession and control of the corresponding title without justification.

⁴ Movant further notes that many of these purchases were made after Tricolor Holdings, LLC, had shuttered all business operations.

CONCLUSION

In conclusion, the Trustee's Objection is predicated upon improper inferences and a mischaracterization of the underlying facts, and is further tainted by the impermissible disclosure and use of confidential settlement communications. Such conduct is not only inappropriate, but directly contravenes well-established principles governing the admissibility of settlement discussions. Movants respectfully submit that the Trustee's counsel's actions reflect an attempt to manufacture issues where none exist in order to bolster its own position and image, rather than to advance a good-faith resolution of this matter. Accordingly, the Objection should be overruled in its entirety.

Respectfully submitted,

GODWIN BOWMAN PC

Sidney H. Scheinberg, Esq.
State Bar No. 17736620
Godwin Bowman, PC
Ross Tower 500 N. Akard, Suite 1100
Dallas, Texas 75201-3499
Telephone: 214.939.4501
Fax: 214.527.3139
Email: SScheinberg@GodwinBowman.com
Attorney for Clay Cooley Motor Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the above and foregoing Motion to Lift Automatic Stay has been served on each of the following parties of interest on April 7, 2026, as shown either by first class postage or notified electronically:

Trustee's Attorney

Charles R. Gibbs
McDermott Will & Schulte LLP
2801 North Harwood Street
Suite 2600
Dallas, TX 75201
214-295-8063

Charles Brackett Hendricks
Cavazos Hendricks Poirot, P.C.
900 Jackson St., Suite 570
Dallas, TX 75202
(214) 573-7302

Debtor

Tricolor Holdings, LLC
6021 Connection Drive
4th Floor
Irving, TX 75039

Trustee

Anne Elizabeth Burns
900 Jackson Street, Suite 570
Dallas, TX 75202

United States Trustee

1100 Commerce Street
Room 976
Dallas, TX 75202
214-767-8967

Parties in Interest

/s/ Sidney H. Scheinberg
SIDNEY H. SCHEINBERG

From: [Obenshain, Kasey](#)
To: [Williams, Grayson](#); [Seitz, Eric](#); [Scheinberg, Sidney](#); [Robertson, Megan](#)
Cc: [Gibbs, Chuck](#); [Team Sid](#)
Subject: RE: 25-33487 Docket No. 299 (Continue Hearing Date)
Date: Tuesday, March 24, 2026 6:00:05 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)
[Calculations for Court - v2.pdf](#)

Hi Grayson –

I hope your week is going well!

- **VIN 3C4NJCBB6JT494355** – We are currently in possession of the title; however, payment on the check was stopped following Tricolor’s bankruptcy filing.
- **VIN JN8AS5MT1EW613530** – Payment was remitted for this vehicle, but we have not received the title.
- **VIN JTMZFREV9FD053330** – Our records reflect that this transaction occurred on September 11, 2025 (rather than September 13, 2025). Based on the timing of the credit application, which was pulled early that morning, we believe the transaction may have actually taken place on September 10, 2025.

Thank you! I’ve attached a new copy of our calculations that reflect these adjustments.

Kasey

Kasey Obenshain - Associate

500 N. Akard #1100, Dallas, TX 75201

kobenshain@godwinbowman.com

O: 214.939.4426

C: 214.536.7140

GODWIN | BOWMAN PC



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TEXAS DEPARTMENT OF MOTOR VEHICLES
VEHICLE TITLES AND REGISTRATION DIVISION

SELECTION REQUEST: BUYER PLATE XSH6654

BUYER PLATE:XSH6654 VALID:2025/11/11 03:14:43--0000/00/00 00:00:00

YR:2016 MAK:CHEV MODL:TAH STYL:LL

VIN:1GN5CAK8GR465099 COLOR:TAN TITLE:05731544704250711

PLATE STATUS:VOIDED

BUYER PLATE

NAME:BRISA YAMILET GUEVARA,5414 CEDAR SPRINGS RD APT 1302,DALLAS,TX,75235

DEALER DETAILS:

NAME:RECAMAN AUTO GROUP, LLC

GDN:P154474 ,DBA NAME:

ADDRESS:2610 WALNUT HILL LN,DALLAS,TX,75229-5614

REMARKS: PENDING STICKER ISSUANCE. PLATE VALID WHILE REGISTRATION IS PROCESSED.

LIC RWF8015 APR/2026 OLD # RWF8015 APR/2025 EWT 5200 GWT 6200

PASSENGER-TRUCK PLT, STKR REG CLASS 35 \$ 79.00 DALLAS CNTY

TITLE 05731544704250711 ISSUED 06/02/2022 ODOMETER 116440 REG DT 04/28/2025

YR:2016 MAK:CHEV MODL:TAH BDY STYL:LL VEH CLS:TRK<=1 SALE PRC: \$34599.00

VIN: 1GN5CAK8GR465099 BODY VIN: COLOR: SILVER

PREV TTL: JUR TX TTL # 10171642701103056 ISSUE 12/07/2016

PREV OWN TRICOLOR AUTO,FORT WORTH,TX

OWNER ISIDRO DE LA ROSA MARTINEZ,,1315 N COOPER ST,APT 118,ARLINGTON,TX,7
6011

RNWL RCP ,1551 N HIGHWAY 161 APT 706,,GRAND PRAIRIE,TX,75050

LIEN 03/26/2022,TRICOLOR AUTO GROUP,,6021 CONNECTION DR,FLOOR 4,IRVING,T
X,75039

PLATE AGE: 3 LAST ACTIVITY 03/03/2026 TAPNCA OFC: 286

REMARKS ACTUAL MILEAGE.DATE OF ASSIGNMENT:2022/03/26.PAPER TITLE.E-TITLE PRI
NT DATE:03/03/2026.FUEL TYPE: GAS.

TITLE AND REGISTRATION VERIFICATION

USER NAME: W299S01

Get Help

DD Don Davis Nissan

Deal #107308
Deal Jacket: 66 Docs | Closed or Sold

2023 Nissan Pathfinder
#PC241499A | NA | USED | 13days

Isidro De La R...

\$899.54 /mo Loan
\$2,000.00 | 72 months

318259
Customer ID

\$31,568.00
Selling Price

76018 / 6.25%
Zip Code / Tax Rate

Fri Sep 12 2025
Contract Date

-\$2,631.00
Net Trade-in Value

1 Vehicle Options
Single Vehicle Deski...

Jeremy
Assignee

Deal Details	Personal Purchase	Loan
Customer Cash 1	\$ 2,000.00	\$899.54 /mo
Customer Cash 2	\$ 2,000.00	\$899.54 /mo
Customer Cash 3	\$ 2,000.00	\$899.54 /mo
Deposit	\$ 0.00	-

Lender		Capital One ...
APR/ Money Factor	APR/MF %	18 %
Residual	Input Residual %	-
Yearly Miles	Input Yearly Miles mi	-
▶ Rebate	\$0.00	\$0.00
▶ We Owes/ Accessories	\$0.00	\$0.00
▶ F&I Menu	\$5,012.00	\$5,012.00
Days to first payment	Input Days	45
▶ Fees	\$344.75	\$344.75
Security Deposit		-

Audit Logs

[Scroll To Top](#) ✕

Display Name : Family Guarantee → Family Guarantee

Price : 0 → 0

Cost : 100 → 100

Miles : 999999 → 999999

Ghost Product : No → No

Profit Type : FRONT → FRONT

Terms Or Months

Value : 12 → 12

by System

Fees (for 36 Mo Loan) ● MODIFIED September 11, 2025 11:31 AM

7 items updated [Show](#)

by System

F&I Products (for 36 Mo Loan) ● MODIFIED September 11, 2025 11:31 AM

Disclosure Type : Other → Other

Display Name : Family Guarantee → Family Guarantee

Price : 0 → 0

Cost : 100 → 100

Miles : 999999 → 999999

Ghost Product : No → No

Profit Type : FRONT → FRONT

Terms Or Months

Value : 12 → 12

by System

Payment Option ● DELETED September 11, 2025 11:31 AM

Payment Type : Loan

Payment Frequency : Monthly

Value : 60

by Jeremy Payne

BR

JE

CA

CR

S

IT

D

R

FS

00:00 Hrs

4:43 PM

Select Location

Concierge

Last updated by: System
Sep 22 2025 10:14 AM

TEXAS DEPARTMENT OF MOTOR VEHICLES
VEHICLE TITLES AND REGISTRATION DIVISION

LIC SMS0680 DEC/2025 OLD # SMS0680 DEC/2024 EWT 3300 GWT 3300
PASSENGER-TRUCK PLT, STKR REG CLASS 25 \$ 77.25 DALLAS CNTY
TITLE 28695346074010704 ISSUED 02/24/2026 ODOMETER 89139 REG DT 02/13/2025
YR:2018 MAK:JEEP MODL:COM BDY STYL:LL VEH CLS:PASS SALE PRC: \$24199.00
VIN: 3C4NJCBB6JT494355 BODY VIN: COLOR: SILVER
PREV TTL: JUR TX TTL # 05784044963250877 ISSUE 02/16/2023
PREV OWN YURISAY HERNANDEZ ALONSO,DALLAS,TX
OWNER YURISAY HERNANDEZ ALONSO,,2033 INVERNESS DR,,DALLAS,TX,75007
RNWL RCP YURISAY HERNANDEZ,7914 N GLEN DR APT 4021,,IRVING,TX,75063
PLATE AGE: 3 LAST ACTIVITY 02/24/2026 ELTLO3 OFC: 286
REMARKS ACTUAL MILEAGE.DATE OF ASSIGNMENT:2022/12/09.PAPER TITLE.E-TITLE PRI
NT DATE:02/24/2026. ELECTRONIC RENEWAL NOTICE.FUEL TYPE: GAS.

SELECTION REQUEST: BUYER PLATE WVG7958
BUYER PLATE:WVG7958 VALID:2025/09/05 04:33:26--0000/00/00 00:00:00
YR:2018 MAK:JEEP MODL:COM STYL:LL
VIN:3C4NJCBB6JT494355 COLOR:SIL TITLE:05784044963250877
PLATE STATUS:VOIDED
BUYER PLATE
NAME:ANGEL HERNANDEZ,431 PRICE DR,LEWISVILLE,TX,75067
DEALER DETAILS:
NAME:CAMPEROS AUTO GROUP LLC
GDN:P171532 ,DBA NAME:
ADDRESS:2814 E MAIN ST,GRAND PRAIRIE,TX,75050-6215
REMARKS: PENDING STICKER ISSUANCE. PLATE VALID WHILE REGISTRATION IS PROCESSED.

TITLE AND REGISTRATION VERIFICATION
USER NAME: W299S01

INVENTORY OF TRICOLOR CARS "TRADED-IN" TO CLAY COOLEY						
VIN NUMBER	Trade Date	Payoff	Paid?	Title?	Lienholder	Notes
JN8AS5MT1EW613530	7/21/2025	\$ 6,290.00	Yes	No	Ganas Ya	*Pre-Petition Setoff
3C4NJCBB6JT494355	8/26/2025	\$ 12,783.13	No	Yes	Yurisay Hernandez Alonso	
5YFEPRAE8LP107775	8/28/2025	\$ 15,959.28	Yes	Yes	Tricolor Auto	
1GNCAK8GR465099	9/13/2025	\$ 10,631.00	No	No	Tricolor Auto	*Pre-Petition Setoff
JTMZFREV9FD053330	9/13/2025	\$ 7,000.00	No	No	Tricolor Auto	*Pre-Petition Setoff
1FMCU0F70HUC65653	9/23/2025	\$ 11,700.00	Yes	Yes	Tricolor Auto	
1C6RR7GG8GS149433	11/6/2025	\$ 16,640.00	No	No	Ganas Ya	*Ganas Ya is a subsidiary of Tricolor Auto
19XFC2F84ME004253	1/3/2026	\$ 19,009.06	No	No	Tricolor Auto	
5XYZU3LB1EG211882	1/5/2026	\$ 5,665.00	No	No	Tricolor Auto	
KL79MPSL2PB179083	1/29/2026	\$ 27,242.00	No	No	Tricolor Auto	
19XFC2F51HE001869	2/13/2026	\$ 14,253.00	No	No	Ganas Ya	*Ganas Ya is a subsidiary of Tricolor Auto
5NPE24AF1FH237330	2/17/2026	\$ 1,800.00	No	No	Adonis Auto Group	*Adonis Auto is part of Tricolor Auto
KMHCT5AE1FU202709		\$ -	-	No	Adonis Auto Group	*Adonis Auto is part of Tricolor Auto
TOTAL		\$ 148,972.47				

Lien Paid, Titles Received - Nothing Further Requested						
VIN NUMBER	Trade Date	Payoff	Paid?	Title?	Lienholder	Notes
5YFEPRAE8LP107775	8/28/2025	\$ 15,959.28	Yes	Yes	Tricolor Auto	
1FMCU0F70HUC65653	9/23/2025	\$ 11,700.00	Yes	Yes	Tricolor Auto	
TOTAL PAID:		\$ 27,659.28				

Pre-Petition, No Payoff, No Title - Setoff Requested						
VIN NUMBER	Trade Date	Payoff	Paid?	Title?	Lienholder	Notes
3C4NJCBB6JT494355	8/26/2025	\$ 12,783.13	No	Yes	Yurisay Hernandez Alonso	*TWIX now shows new owner
1GNCAK8GR465099	9/11/2025	\$ 10,631.00	No	No	Tricolor Auto	
TOTAL DUE:		\$ 23,414.13				

Post-Petition, No Payoff, No Title - Clay Cooley Sending Payment						
VIN NUMBER	Trade Date	Payoff	Paid?	Title?	Lienholder	Notes
JTMZFREV9FD053330	9/13/2025	\$ 7,000.00	No	No	Tricolor Auto	
1C6RR7GG8GS149433	11/6/2025	\$ 16,640.00	No	No	Ganas Ya	*Ganas Ya is a subsidiary of Tricolor Auto
19XFC2F84ME004253	1/3/2026	\$ 19,009.06	No	No	Tricolor Auto	
5XYZU3LB1EG211882	1/5/2026	\$ 5,665.00	No	No	Tricolor Auto	
KL79MPSL2PB179083	1/29/2026	\$ 27,242.00	No	No	Tricolor Auto	
19XFC2F51HE001869	2/13/2026	\$ 14,253.00	No	No	Ganas Ya	*Ganas Ya is a subsidiary of Tricolor Auto
5NPE24AF1FH237330	2/17/2026	\$ 1,800.00	No	No	Adonis Auto Group	*Adonis Auto is part of Tricolor Auto
TOTAL DUE:		\$ 91,609.06				

No Payoff Needed, Only Need Lien Release						
VIN NUMBER	Trade Date	Payoff	Paid?	Title?	Lienholder	Notes
KMHCT5AE1FU202709		\$ -	-	No	Adonis Auto Group	*Adonis Auto is part of Tricolor Auto

Pre-Petition, Paid-Off, Need Title						
VIN NUMBER	Trade Date	Payoff	Paid?	Title?	Lienholder	Notes
JN8AS5MT1EW613530	7/21/2025	\$ 6,290.00	Yes	No	Ganas Ya	*Ganas Ya is a subsidiary of Tricolor Auto

Requested Pre-Petition Total	\$ 23,414.13
Tricolor Prepetition Debt	\$ 152,066.25
Setoff	\$ 105,237.99