IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

In re	§	**Chapter 11**
	§	
CFO MANAGEMENT HOLDINGS, LLC, *et al.*[1]	§	**Case No. 19-40426**
	§	**Jointly Administered**
Debtors.	§	

CHAPTER 11 TRUSTEE'S MOTION FOR
SUBSTANTIVE CONSOLIDATION OF DEBTORS' ESTATES

A HEARING WILL BE CONDUCTED ON THIS MATTER ON AUGUST 13, 2019 AT 2:30 PM IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF TEXAS, 660 NORTH CENTRAL EXPRESSWAY, SUITE 300B, PLANO, TEXAS 75074.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-THREE (23) DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

David Wallace, Chapter 11 Trustee (the "Trustee") for the above-captioned bankruptcy cases of CRO Management Holdings, LLC and its co-debtors (the "Debtors"), files this *Motion for Substantive Consolidation of Debtors' Estates* (this "Motion") and, in support thereof, respectfully represent as follows:

[1] The Debtors in these chapter 11 cases are as follows: Carter Family Office, LLC, EIN# XX-XXX1652, Case No. 19-40432; CFO Management Holdings, LLC, EIN# XX-XXX6987, Case No. 19-40426; Christian Custom Homes, LLC, EIN# XXXXX4648, Case No. 19-40431; Double Droptine Ranch, LLC, EIN# XX-XXX7134, Case No. 19-40429; Frisco Wade Crossing Development Partners, LLC, # XX-XXX4000, Case No. 19-40427; Kingswood Development Partners, LLC, EIN# XX-XXX1929, Case No. 19-40434; McKinney Executive Suites at Crescent Parc Development Partners, LLC, EIN# XX XXX2042, Case No. 19-40428; North-Forty Development LLC, EIN# XX-XXX5532, Case No. 19-40430; and West Main Station Development, LLC, EIN# XX-XXX7210, Case No. 19-40433. The following mailing address can be used for each of the Debtors with respect to these cases: c/o David Wallace, Chapter 11 Trustee, 4131 North Central Expressway, Suite 775, Dallas, Texas 75204.

PRELIMINARY STATEMENT

1. The “extreme and unusual” circumstances surrounding the Debtors’ pre-petition activities warrant the Court’s application of its equitable powers of substantive consolidation in these bankruptcy cases. While substantive consolidation is not a remedy to be sought lightly, in cases such as these where significant harm will be done to the Debtors’ estates and creditors should the superficial separation between the Debtors be maintained, substantive consolidation is the only means to facilitate a fair and efficient administration of Debtors’ estates. Commingling of Debtor funds, redirection of noteholder investments, and failure to account for intercompany transactions not only show a common identity among the Debtors but make an accurate separation of the Debtors’ assets and liabilities likely impossible. But even if it were possible, such separation would certainly be costly and detrimental to creditors as estate funds would be depleted for little benefit. As described in more detail below, substantive consolidation of the Debtors is necessary to avoid such harms, provide benefits to the estates, and ultimately improve creditor recoveries in these cases. Therefore, the Trustee believes that substantive consolidation is in the best interest of the Debtors’ estates and creditors and respectfully requests that the Court use its equitable powers to this end.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this Motion under 28 U.S.C. § 1334(b). This Court can hear and determine this matter in accordance with 28 U.S.C. § 157 and the standing order of reference of bankruptcy cases and proceedings in this District. This matter is a core proceeding, and venue for this Motion is proper in this district under 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

A. General Background

3. All of the Debtors in these bankruptcy cases, except for Debtor CFO Management Holdings, LLC, were at one time wholly-owned and controlled by Phillip Carter and/or by entities that Mr. Carter controlled, managed, and/or owned. The Debtors' businesses focus on real estate development and several of the Debtors own residential or commercial real estate in either Texas or Oklahoma.

4. On or about January 18, 2019, CFO Management Holdings, LLC was created to hold and manage the underlying assets of the other Debtors in these cases (such other Debtors, the "Subsidiary Debtors"). At the same time as the creation of the holding company, Mr. Carter surrendered his control and management over the Subsidiary Debtors, and SierraConstellation Partners, LLC ("Sierra"), an interim management and advisory firm, and its founder and CEO Lawrence Perkins took over management of the Debtors' businesses and prepared them for chapter 11 bankruptcy.

5. On January 25, 2019, the U.S. Securities and Exchange Commission (the "SEC") filed a complaint against Mr. Carter, alleging that Mr. Carter and two other individuals raised approximately $45 million from more than 270 noteholders across the United States (the "Investors"). The complaint also alleges that, while Mr. Carter and his co-defendants purported to offer the Investors investing in real estate development companies controlled by Mr. Carter and backed by legitimate real estate assets, the resulting "notes" were actually backed by unrelated, but closely named, entities that had no assets. The SEC also alleges that Mr. Carter misappropriated Investor funds, using the funds to finance his own expenses, operate a luxury hunting ranch in Oklahoma (an asset held by Debtor Double Droptine Ranch, LLC), and to pay certain Investors to perpetuate the alleged fraudulent scheme.

6. On February 17, 2019 (the "Petition Date"), the Debtors each commenced a case under chapter 11 of the Bankruptcy Code (collectively, the "Bankruptcy Cases").

7. On February 28, 2019, the Office of the United States Trustee formed an Official Unsecured Creditors' Committee, appointing five members to serve.

8. On April 4, 2019, the Court entered an order requiring that a chapter 11 trustee be appointed in the Bankruptcy Cases. See Docket No. 140. On April 10, 2019, the United States Trustee for the Bankruptcy Cases filed a notice of the appointment of David Wallace as Chapter 11 Trustee for the Debtors' estates. See Docket No. 143. On April 24, 2019, the Court entered its order granting the United States Trustee's Motion to approve the appointment of David Wallace as Chapter 11 Trustee. See Docket No. 153.

B. Debtors' Pre-Petition Transactions, Books and Records, and Creditor Interactions

9. In the months following his appointment, the Trustee and his professionals and support staff have been reviewing available documents and records regarding the Debtors' assets, liabilities, contracts, transactions, and other activities engaged in by the Debtors prior to the Bankruptcy Cases and the Trustee's appointment. During that time, it has become evident that the Debtors' were operated not as separate and distinct entities but as part of the bigger real estate development enterprise of Mr. Carter.

10. As represented previously in these cases in connection with the appointment of a CRO, the Debtors' records are in "a complete state of disarray."[2] The books and records of the Debtors had to be assembled by Sierra as part of its preparations for the Debtors' cases and bankruptcy schedules. Most of the liabilities listed in the Debtors' respective schedules are listed

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[2] This was asserted soon after the Petition Date in the *Debtors' Motion Pursuant to 11 U.S.C. Sections 105(a) and 363 to (I) Employ and Retain SierraConstellation Partners, LLC and (II) Designate Lawrence R. Perkins as Chief Restructuring Officer, Effect as of the Petition Date, filed on February 20, 2019* [Docket No. 11].

as contingent, unliquidated, and/or disputed, as there was not sufficient information available at the time to substantiate such liabilities.

11. Further, based on the Trustee's review of Debtor-related records and upon information and belief, it appears that the Investors' funds may have been commingled among the Subsidiary Debtors or used for other purposes entirely. It is believed that the Subsidiary Debtors were the ultimate recipients of the funds allegedly fraudulently procured from the Investors, of which some such funds were apparently invested in the real-estate assets owned by the Subsidiary Debtors and related construction projects. Based on the Trustee's understanding, while Investors often wrote checks to one Debtor, such as North-Forty Development LLC, or another related Phillip Carter entity, such funds were used in the real estate projects of other Debtors, such as the commercial real estate development owned by Debtor Frisco Wade Crossing Development Partners, LLC or the luxury home owned by Debtor Christian Custom Homes, LLC. It appears that funds were regularly moved from more general accounts to specific projects as needed and without corporate formalities and book notations. This is evidenced in the fact that many of the creditors in these Bankruptcy Cases, particularly the Investors, have filed duplicate claims against more than one or all of the Debtors, as it was not clear to them which of the Debtor entities was ultimately liable for their claims.

RELIEF REQUESTED

12. By this Motion, the Trustee respectfully requests that the Court exercise its equitable powers to substantively consolidate the Debtors for all purposes, including in connection with solicitation of acceptance of a plan and distributions to creditors.

BASIS FOR RELIEF

A. This Court has the authority to substantively consolidate the Debtors.

13. Substantive consolidation is a judicially created doctrine derived from the general equitable powers of bankruptcy courts provided in § 105(a) of the Bankruptcy Code. *Chem. Bank N.Y. Trust Co. v. Kheel*, 369 F.2d 845, 847 (2d Cir. 1966); *In re ADPT DFW Holdings, LLC*, 574 B.R. 87, 91-92 (Bankr. N.D. Tex. 2017). The doctrine allows a bankruptcy court to consolidate the assets and liabilities of separate legal entities and to treat those assets and liabilities as held and incurred by a single entity. *Id*. A basis for this ability stems from the Supreme Court decision of Sampsell v. Imperial Paper & Color Corp., 313 U.S. 215, 219 (1941), in which the Supreme Court "recognized that the consolidation of different but related estates was a vital tool in fulfilling a fundamental purpose of bankruptcy proceedings." *ADPT DFW Holdings*, 574 B.R. at 91. When consolidation takes place outside of the plan process, section 105 provides the statutory basis for the doctrine. *Id*. at 93.[3]

14. While the Fifth Circuit has stated that substantive consolidation is "an extreme and unusual remedy," the Fifth Circuit has also acknowledged that bankruptcy courts have the authority to order substantive consolidation. *S.I. Acquisition, Inc. v. Eastway Delivery Serv. Inc. (In re S.I. Acquisition Inc.)*, 817 F.2d 1142, 1145 n.2 (5th Cir. 1987); *see also Bank of New York Trust Co., NA v. Official Unsecured Creditors' Comm. (In re Pacific Lumber Co.)*, 584 F.3d 229, 249 (5th Cir. 2009) (citing In re Gandy, 299 F.3d 489, 499 (5th Cir. 2002)) (while holding that plan of reorganization did not substantively consolidate debtor entities, the Fifth Circuit acknowledged the existence of substantive consolidation and did not question the authority of the

[3] Within the context of a bankruptcy plan, § 1123(a)(5)(C) also provides a statutory basis for substantive consolidation, as it allows the "merger or consolidation of the debtor with one or more persons" through a chapter 11 plan. *Id*.

bankruptcy court to order such remedy); *Wells Fargo Bank v. Sommers (In re Amco Ins.)*, 444 F.3d 690, 696 n.5 (5th Cir. 2006) (noting in a non-plan context that substantive consolidation "is an extreme and unusual remedy"); *In re Introgen Therapeutics*, 429 B.R. 570, 581-82 (Bankr. W.D. Tex. 2010) (discussing Fifth Circuit's acknowledgment of the bankruptcy court's authority to order substantive consolidation).

15. A substantive consolidation analysis is a "highly fact specific analysis that must be made on case-by-case basis." *In re Permian Producers Drilling, Inc*., 263 B.R. 510, 517-18 (W.D. Tex. 2000). There is no universally accepted standard for substantive consolidation, *Introgen Therapeutics*, 429 B.R. at 581-82, but over the years, two main standards have developed in case law: "(1) a more traditional, multi-factor test (which ultimately gets distilled down to two critical factors); and (2) a balancing of harm test." *ADPT DFW Holdings*, 574 B.R. at 94. The Fifth Circuit Court of Appeals has not adopted a particular test for substantive consolidation, and courts in the Fifth Circuit have looked to both tests for guidance in determining whether substantive consolidation was appropriate. *See, e.g*., *id*. at 91, 104 (considering both tests); *Permian Producers*, 263 B.R. at 517-18 (same).

B. Substantive consolidation of the Debtors is appropriate under the traditional multi-factor test.

16. Under the traditional multi-factor test, courts look to a long list of factors in determining whether substantive consolidation is appropriate, with no single factor or group of factors being determinative. *In re AHF Development*, 462 B.R. 186, 195-96 (Bankr. N.D. Tex. 2011). These factors include:

- the presence or absence of consolidated financial statements;
- the unity of interests and ownership between the various corporate entities;
- the existence of parent and intercorporate guaranties on loans;

- the degree of difficulty in segregating and ascertaining individual assets and liabilities;
- the transfer of assets without formal observance of corporate formalities;
- the commingling of assets and business functions;
- the profitability of consolidation at a single physical location;
- the parent corporation owns all or a majority of the capital stock of the subsidiary;
- the parent and subsidiary have common officers and directors;
- the parent finances the subsidiary;
- the parent is responsible for incorporation of the subsidiary;
- the subsidiary has grossly inadequate capital;
- the parent pays salaries, expenses, or losses of the subsidiary;
- the subsidiary has substantially no business except with the parent;
- the subsidiary has essentially no assets except for those conveyed by the parent;
- the parent refers to the subsidiary as a department or division of the parent;
- the directors or officers of the subsidiary do not act in interests of the subsidiary, but take directions from the parent;
- the formal legal requirements of the subsidiary as a separate and independent corporation are not observed; and
- the transfer of assets without formal observance of corporate formalities.

17. These factors have been distilled down to two critical factors: "(1) whether creditors dealt with the entities as a single economic unit and did not rely on their separate identity in extending credit . . . ; or (2) whether the affairs of the debtors are so entangled that consolidation would benefit all creditors." *ADPT DFW Holdings*, 574 B.R. at 95-96 (citing *Union Sav. Bank v. Augie/Restivo Baking Co., Ltd. (In re Augie/Restivo Baking Co., Ltd.)*, 860 F.2d 515, 519 (2d Cir. 1988)). These two critical factors have also been phrased slightly different in the Third Circuit, reading as follows: "(i) [whether] prepetition the debtors disregarded separateness so significantly their creditors relied on the breakdown of entity borders and treated them as one legal entity, or (ii) whether postpetition their assets and liabilities are so scrambled that separating them is prohibitive and hurts all creditors." *Id.* at 98 (quoting *In re Owens Corning*, 419 F.3d 195, 211 (3d

Cir. 2005)). "The presence of either factor provides a sufficient basis to order consolidation." *Permian Producers*, 263 B.R. at 518.

18. Substantive consolidation is appropriate in these cases when analyzing the Debtors under the above "distilled" factors. It appears that many Investors and other creditors ultimately dealt with the Debtors as a single economic unit under the control of Mr. Carter. Entity boundaries between the Debtors were disregarded for the purposes of cash management, with funds flowing between Debtors without accompanying accounting records for such "intercompany" transactions. In fact, the books and records of the Debtors had to be constructed by Sierra as part of its taking over management of the Debtors. The scheduled Investor and other claims had to be labeled contingent, unliquidated, and disputed because the liabilities could not be verified. Given that numerous Investors sent their funds to Debtors or other Philip Carter entities that have little-to-no assets, it appears that such Investors believed that their funds were being used for assets that, in the end, were actually owned by other Debtors. Each of these realities support the notion that the separate legal nature of the Debtors was not respected and that, therefore, any attempt to separate the assets and liabilities of the Debtors would be futile and harmful to creditors as a whole.

19. Individual factors in the larger list also support the substantive consolidation of these cases. For example, there has historically been a unity of interests and ownership between the Debtors, as they were all (other than the later-formed holding company) owned, controlled, and managed by Mr. Carter. Also, joint liability of the Debtors is acknowledged in the Debtors' schedules, as the Debtors are generally listed as co-liable parties with respect to the Investor and other claims. Further, there would be substantial difficulty in separating assets and liabilities given that the books and records of each Debtor were created only in preparation for the bankruptcy process, and the related analysis revealed significant commingling of assets and transfers of assets

without formal observance of corporate formalities. These facts and the related factors, among others, support the Trustee's belief that substantive consolidation is warranted in these cases.

C. Substantive consolidation of the Debtors is also appropriate under the harm-balancing test.

20. Under the harm-balancing test, courts often look to certain elements from the traditional multi-factor test but ultimately balance the harms or prejudice that would result from substantive consolidation. *ADPT DFW Holdings*, 574 B.R. at 100 (citing examples). The party proposing substantive consolidation "must first show identity between the entities to be consolidated, and then show that consolidation is necessary in order to prevent harm or prejudice, or to effect a benefit generally." *Introgen Therapeutics*, 429 B.R. at 584 (citing *Permian Producers*, 263 B.R. at 518); *Eastgroup Properties v. Southern Motel Assoc., Ltd.*, 935 F.2d 245, 249 (11th Cir. 1991) (movant must demonstrate: "(1) there is substantial identity between the entities to be consolidated; and (2) consolidation is necessary to avoid some harm or to realize some benefit"). After that showing, a creditor may object and defeat consolidation "by showing that it relied on the separateness of the debtors in extending credit and would thereby suffer harm by consolidation." *Introgen Therapeutics*, 429 B.R. at 584. Then the court will consider whether the benefit outweighs the harm and, if it does, will order consolidation. *Id.*

21. In the Debtors' Bankruptcy Cases, substantive consolidation would provide creditors, including the Investors, with several benefits and avoid notable harms. Most significantly, substantive consolidation would avoid the harm that would be caused by trying to separately administer the estates. Any attempt to sort out and separate assets and liabilities of the Debtors would come at a substantial administrative cost. Further, such separation may be an impossibility. Administering claims filed against each individual debtor but that are ultimately owed by all of the Debtors as co-obligors would be extremely costly and provide no or little benefit

to creditors and particularly the Investors, who likely have a basis for payment from the "Phillip Carter" enterprise as a whole, based on the representations made to such Investors. To the extent that there are non-investor unsecured creditors whose claims perhaps more clearly related to one or more specific Debtors, the dividing out of such claims would likely not provide enough benefit to such creditors to counterbalance the harm of the administrative cost required for such separation (if, again, such separation is even possible). Therefore, the Debtors' creditors would not be harmed but would instead benefit by being able to look to the consolidated estates for recovery.[4]

22. Not only would substantive consolidation avoid significant administrative costs and the potential inequities that may result in trying to separate the assets and liabilities of the Debtors after years of commingling and absent or ineffective bookkeeping, but it would also provide a benefit to creditors through the collective increase in value of the Debtors' estates. Funds are needed to maintain, protect and enhance the value of the assets in these cases. Without such funds, most, if not all, creditors could suffer from a lower value ultimately being received for such assets as they are liquidated. The ability to manage the Debtors' assets cooperatively and support those assets and liquidation efforts through funds received through other liquidations is key in the Trustee's efforts to secure the most value for the Debtors' estates and should ultimately enhance payments made to creditors.

23. Further, some of the creditor-related concerns present in some substantive consolidation cases are not present here. For example, in some cases, there is a concern that a secured creditor with a deficiency claim against one debtor will negatively affect the unsecured

[4] To this end, the Trustee is requesting that, as part of the consolidation, each claim filed against any Debtor be deemed to be filed only against CFO Management Holdings, LLC and that duplicate claims filed by any creditor against multiple Debtors may be consolidated in the official claims registry to reflect one claim filed against CFO Management Holdings, LLC without the need for further order of this Court.

creditors of another debtor when those estates are consolidated. However, here each of the Debtors' secured creditors appear to be oversecured by a significant margin, meaning that the consolidation would likely not result in Investor or other unsecured claims being diluted due to a deficiency claim.

WHEREFORE, the Trustee requests an order granting the relief requested herein substantially in the form of the proposed order submitted herewith, ordering that the Debtors be substantively consolidated, and granting such further relief as the Court may deem just and proper.

Dated: July 19, 2019

By: */s/ Judith W. Ross*
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COUNSEL TO CHAPTER 11 TRUSTEE DAVID WALLACE

CERTIFICATE OF SERVICE

I certify that on July 19, 2019, I served or caused to be served a copy of the foregoing document (i) electronically on the Electronic Case Filing System for the United States Bankruptcy Court for the Eastern District of Texas and (ii) via first class mail by proposed noticing agent Kurtzman Carson Consultants LLC ("KCC") on the parties listed on the Certificate of Service to be filed upon receipt from KCC.

/s/ Jessica Lewis
Jessica Lewis

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

In re	§	**Chapter 11**
	§	
CFO MANAGEMENT HOLDINGS, LLC, *et al.*[1]	§	**Case No. 19-40426**
	§	**Jointly Administered**
Debtors.	§	

ORDER GRANTING CHAPTER 11 TRUSTEE'S MOTION FOR SUBSTANTIVE CONSOLIDATION OF DEBTORS' ESTATES

On the Motion for Substantive Consolidation of Debtors' Estates (the "Motion")[2] filed by David Wallace, Chapter 11 Trustee (the "Trustee") for the above-captioned bankruptcy cases of CRO Management Holdings, LLC and its co-debtors (collectively, the "Debtors"), requesting an order substantively consolidating the Debtors for all purposes, including in connection with solicitation of acceptance of a plan and distributions to creditors, all as more fully set forth in the Motion; the Court finds the following:

(a) The Court has jurisdiction over this matter under 28 U.S.C. § 1334;

(b) The Court can hear and determine the Motion in accordance with 28 U.S.C. § 157 and the District Court's standing order of reference;

(c) This is a core proceeding under 28 U.S.C. § 157(b);

[1] The Debtors in these chapter 11 cases are as follows: Carter Family Office, LLC, EIN# XX-XXX1652, Case No. 19-40432; CFO Management Holdings, LLC, EIN# XX-XXX6987, Case No. 19-40426; Christian Custom Homes, LLC, EIN# XXXXX4648, Case No. 19-40431; Double Droptine Ranch, LLC, EIN# XX-XXX7134, Case No. 19-40429; Frisco Wade Crossing Development Partners, LLC, # XX-XXX4000, Case No. 19-40427; Kingswood Development Partners, LLC, EIN# XX-XXX1929, Case No. 19-40434; McKinney Executive Suites at Crescent Parc Development Partners, LLC, EIN# XX XXX2042, Case No. 19-40428; North-Forty Development LLC, EIN# XX-XXX5532, Case No. 19-40430; and West Main Station Development, LLC, EIN# XX-XXX7210, Case No. 19-40433. The following mailing address can be used for each of the Debtors with respect to these cases: c/o David Wallace, Chapter 11 Trustee, 4131 North Central Expressway, Suite 775, Dallas, Texas 75204.

[2] Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Motion.

(d) Venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409;

(e) The relief requested in the Motion is in the best interest of the Debtors' estates, their creditors, and other parties in interest;

(f) The Trustee has provided adequate notice of the Motion and the opportunity for hearing on the Motion under the circumstances and for the purpose of the relief requested, and no other or further notice is required beyond what is required by this Order;

(g) The Court reviewed the Motion and heard statements in support of the Motion at a hearing held before the Court (the "Hearing");

(h) The legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and

(i) Any objections to the relief requested herein have been withdrawn or overruled on the merits.

Having reviewed the Motion and heard the statements in support of the relief requested therein at a hearing, if any, before the Court, and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY ORDERED THAT:

(1) The Motion is GRANTED to the extent provided herein;

(2) The Debtors and their estates are substantively consolidated for all purposes;

(3) The consolidated Debtors' estates and cases will be consolidated under Case No. 19-40426 for all purposes in these Bankruptcy Cases;

(4) All intercompany claims by, between, and among the Debtors are hereby extinguished;

(5) All assets and liabilities, respectively, of each of the Subsidiary Debtors are hereby merged (or treated as if they were merged) with the assets and liabilities of Debtor CFO Management Holdings, LLC ("CFO Management") and with the assets and liabilities of every other Subsidiary Debtor;

(6) Any obligation of a Debtor and all guarantees of such obligations by one or more other Debtors are hereby deemed to be one obligation of CFO Management;

(7) All claims based on guarantees of collection, payment, or performance made by a Debtor as to the obligation of another Debtor are hereby released and of no further force and effect;

(8) Each claim filed or to be filed against any Debtor is hereby deemed to be filed only against CFO Management and is hereby deemed to be a single claim against and a single obligation of CFO Management;

(9) Duplicate claims filed by any creditor against multiple Debtors may be consolidated in the official claims registry to reflect one claim filed against CFO Management without the need for further order of this Court;

(10) The Trustee shall provide notice of such claim consolidation to any creditor whose duplicate claims are consolidated in accordance with this Order;

(11) The Trustee is authorized and empowered to take all actions necessary to implement the relief granted in this Order; and

(12) This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.