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*Counsel to GXO Logistics Supply Chain, Inc.*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

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In re:	CHAPTER 11
THRASIO HOLDINGS, INC., et al.,	Case No. 24-11840 (CMG)
Debtors. <sup>1</sup>	(Jointly Administered)

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**GXO LOGISTICS SUPPLY CHAIN, INC.’S LIMITED PROTECTIVE OBJECTION TO  
ENTRY OF FINAL ORDER AUTHORIZING THE DEBTORS TO OBTAIN  
POSTPETITION SECURED FINANCING, (II) GRANTING LIENS AND PROVIDING  
SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) AUTHORIZING THE  
USE OF CASH COLLATERAL, (IV) GRANTING ADEQUATE PROTECTION, (V)  
MODIFYING THE AUTOMATIC STAY**

[Related Docket Nos. 39 and 81]

GXO Logistics Supply Chain, Inc. (“GXO”), a creditor and party-in-interest, by counsel, hereby files this limited protective objection to the entry of a final order on the Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors To Obtain Postpetition Secured

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<sup>1</sup> The last four digits of Debtor Thrasio Holdings, Inc.’s tax identification number are 8327. A complete list of the Debtors in these chapter 11 cases and each such Debtor’s tax identification number may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.kccllc.net/Thrasio>. The Debtors’ service address in these chapter 11 cases is 85 West Street, 3rd Floor, Walpole, MA, 02081.



Financing, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Authorizing the Use of Cash Collateral, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, and (VI) Scheduling a Final Hearing (the “DIP Motion”) to the extent such motion impairs GXO’s possessory contractual warehouse lien, and states the following in support hereof:

1. GXO and Thrasio, LLC (the “Debtor”) are parties to a Warehouse Agreement effective as of April 1, 2021, as amended by a First Amendment to Warehouse Agreement effective as of May 24, 2021 (together, with all amendments thereto, the “Warehouse Agreement”).

2. On the Petition Date and currently, the Debtor stores inventory at GXO’s San Bernadino, California warehouse pursuant to the Warehouse Agreement.

3. Section 7(b) of the Warehouse Agreement grants GXO a lien on all property stored by GXO (the “Warehouse Lien”) and states in pertinent part:

“Warehouse Operator shall have a general lien against Depositor on any and all Goods deposited with Warehouse Operator, and on the proceeds from the sale thereof for all charges provided herein, including storage charges, claims for money advanced, interest, insurance, transportation, labor, dunnage, wrapping, weighing, cooeping, and all other charges and expenses in relation to such Goods, for all expenses necessary for preservation or removal of the Goods, all reasonable charges and expenses for notice and advertisement of sale and sale of the Goods where default has been made, and for all costs including court costs and reasonable attorney’s fees in collecting charges or enforcing this lien, or defending itself in the event Depositor is made a party to any litigation concerning the Goods stored thereunder, or in filing any action in interpleader for the determination of ownership of the Goods deposited with Depositor.”

4. Beginning March 1, 2024, after the hearing of first day motions and thereafter GXO through its counsel made numerous communications to counsel for the Debtor in an effort to determine whether and to what extent GXO’s prepetition debt would be paid pursuant to the critical vendor and lien claimants order, and if not, adequate protection of GXO’s Warehouse Lien as the Debtor removes the encumbered inventory from GXO’s San Bernadino warehouse.

5. Since the Petition Date, the Debtor has made no payments to GXO.

6. From the Petition Date through March 16, 2024, the Debtor owes GXO \$220,040 for postpetition services rendered at GXO's San Bernardino warehouse.

7. The Debtor owes GXO \$875,218.15 for prepetition services rendered pursuant to the Warehouse Agreement from December 3, 2023 through February 27, 2024 as itemized in the weekly invoices below (the "Weekly Prepetition Debt"):

Invoice #	Inv. Date	Due Date	Location	Service Period	Amount
41075123124	1/29/24	2/28/24	San Bernadino	12/24/23 - 12/30/24	90,201.08
41075124011	1/29/24	2/28/24	San Bernadino	12/31/23 - 1/6/24	88,609.60
41075124012	1/29/24	2/28/24	San Bernadino	1/7/24 - 1/13/24	93,646.44
41075124013	1/29/24	2/28/24	San Bernadino	1/14/24 - 1/20/24	88,103.76
41075124014	2/7/24	3/8/24	San Bernadino	1/21/24 - 1/27/24	90,059.16
41058223121	2/12/24	3/13/24	Orlando (Disposal)	12/3/24 - 12/9/24	38,797.23
410751240127	2/12/24	3/13/24	San Bernadino	1/28/24 - 2/3/24	86,938.36
41075124021	2/16/24	3/17/24	San Bernadino	2/4/24 - 2/10/24	89,618.76
41075124022	2/20/24	3/21/24	San Bernadino	2/11/24 - 2/17/24	87,463.76
41075124023	3/4/24	4/3/24	San Bernadino	2/18/24 to 2/24/24	85,000.00
41075124024	3/21/24	4/20/24	San Bernadino	2/25/24 to 2/27/24	36,780.00

8. The Debtor also owes GXO \$2,661,608.54 for unutilized contracted for space per the Contracted Space Commitment in the First Amendment to the Warehouse Agreement as identified below (the "Unutilized Space Prepetition Debt"), which amount the Debtor disputes:

Invoice #	Inv. Date	Due Date	Location	Service Period	Amount
410583230317	3/30/23	4/29/23	Grand Prairie	1/1/22 - 3/11/23	542,070.04
410750230327	3/30/23	4/29/23	Mechanicsburg	1/1/22 - 3/11/23	132,161.78
410751230325	3/30/23	4/29/23	San Bernadino	1/1/22 - 3/11/23	1,987,376.72

9. Although the Interim Order entered pursuant to the DIP Motion contains provisions that appear to state the liens requested pursuant to the DIP Motion are subject to "Permitted Prior Liens," it is not clear that such Permitted Prior Liens include the Warehouse Lien. Accordingly, GXO requests the final order include a provision that protects the Warehouse Lien to the extent of

GXO's prepetition debt.

Wherefore, GXO files this limited protective objection and requests this Court order appropriate relief to protect the Warehouse Lien, including a provision in the final order that states Permitted Prior Liens include the Warehouse Lien to the extent the prepetition debt of GXO is not paid pursuant to the critical vendor and lien claimants orders entered in this case, and for such other and further relief as the Court deems equitable and just.

Dated: March 29, 2024

**FISHER BROYLES, LLP**

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*Attorneys for GXO Logistics Supply Chain, Inc.*

### **CERTIFICATION OF SERVICE**

I hereby certify that on March 29, 2024, a copy of the foregoing Limited Objection was served by electronic notification through the CM/ECF System to all parties registered to receive notice in this case.

/s/ Deborah L. Fletcher  
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