Cause No. 01-21-00284-CV

GREAT VALUE STORAGE, LLC and WORLD CLASS CAPITAL GROUP, LLC,	§	IN THE COURT OF APPEALS
	§	
	§	
Appellants,	§	
v.	§	FIRST DISTRICT OF TEXAS
	§	
PRINCETON CAPITAL CORPORATION,	§	
	§	
	§	
Appellee,	§	HOUSTON, TEXAS

RECEIVER'S REPLY TO APPELLANTS' AND APPELLEE'S RESPONSES TO COURT'S MARCH 30, 2023 ORDER

TO THE HONORABLE FIRST COURT OF APPEALS:

The Receiver, Mr. Seth Kretzer, respectfully replies to Appellants' and Appellee's responses to the Court's March 30, 2023 order. For the reasons below, and the grounds set forth by this Court, this appeal should be dismissed for want of jurisdiction.

> "*The Settlement Agreement evidences a business deal among the Parties, ending multiple contentious and expensive litigation proceedings . . . which all carry substantial business risk. . . . thereby ending years' long disputes . . . .*"
>
> — Counsel for Appellee, Princeton, in the Princeton Motion to Approve Settlement, at 11 (Aug. 27, 2022) (No. 21-31121-mvl11).
>
> "*Princeton has been satisfied . . . .*"
>
> — Counsel for Appellants, Appellants' Post-Hearing Submission at 7 (Mar. 10, 2023) (No. 2019-18855).

I. THE WORDS OF THE PARTIES PROVIDE THE MOST RELEVANT EVIDENCE THAT THIS COURT LACKS SUBJECT MATTER JURISDICTION OVER THIS APPEAL.

The most relevant and determinative evidence on the issue of whether this Court lacks subject matter jurisdiction as a result of the Parties'[1] mutual settlement comes from the words of the Parties in the settlement documents discussed below, and their statements in pleadings, open court, and SEC filings, as set forth below. To date, the Parties have provided this Court only a portion of their Settlement Agreement, not the full agreement, omitting key provisions and terms. Attached as **Exhibit 1** hereto is the *complete* Settlement Agreement, including the mutually signed August 22, 2022 "Settlement Term Sheet,"[2] which the parties explicitly integrated into the final settlement agreement, and the September 20, 2022 Amended Settlement Agreement.[3]

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[1] Appellee Princeton Capital Corp. and Appellants are referred to herein as the "Parties."

[2] *See* Settlement Term Sheet, attached as Exhibit 1 to the *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and Reorganized Debtors*, filed by Princeton in *In re: GVS Texas Holdings I, LLC*, Case No. 21-31121, ("Dallas Bankruptcy Case") pending in the U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division ("Dallas Bankruptcy Court"), filed at Doc. No. 1358 on Aug. 27, 2022 ("Princeton Motion to Approve Settlement") (highlights added by Receiver).

[3] Three settlement documents were ultimately executed by the Parties: (1) the August 22, 2022 Settlement Term Sheet ("Settlement Term Sheet"); (2) the September 2, 2022 Settlement, Assignment and Acceptance Agreement ("Settlement Agreement"); and (3) the September 20, 2022 Amended and Restated Settlement, Assignment and Acceptance Agreement ("Amended Settlement Agreement"). Therefore, the Parties' "Settlement Agreement," as referred to herein, consists of two executed documents: (1) the August 22, 2022 Settlement Term Sheet ("Settlement Term Sheet"), and (2) the September 20, 2022 Amended and Restated Settlement, Assignment and Acceptance Agreement ("Amended Settlement Agreement").

The plain words of the Settlement Agreement, and the integrated Settlement Term Sheet, make perfectly clear that the intention of the Parties was to provide for the payment in full to Princeton of amounts owed to it by Appellants, from funds set aside in the Dallas Bankruptcy Case: "[T]he settlement provides that Princeton will be paid $11,372,698.89 . . . in exchange for a full mutual release of the settling Defendants, including the Reorganized Debtors and WCH. . . . and provide finality to contentious and prolonged litigation," with the result that "[t]he Settlement Agreement is a clear success for the Defendants and WCH . . . while also permitting Princeton to obtain a recovery without the need for further litigation."[4]

This appeal must therefore be dismissed for want of subject matter jurisdiction.

A. The Settlement Agreement explicitly incorporated the Settlement Term Sheet, in which the Parties mutually pledged—in return for full payment to Princeton and full release of Appellants—that Princeton would file pleadings in several state and federal courts, including this Court, supporting Appellants' opposition to the Receiver.

[4] *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and Reorganized Debtors*, at 3, *In re: GVS Texas Holdings I, LLC*, No. 21-31121-mvl11, Doc. No. 1358 (Aug. 27, 2022), **Exhibit 1** (highlights added by Receiver). On September 2, 2022, Paul-Controlled Reorganized Debtors filed in the Dallas Bankruptcy Case its *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and the Reorganized Debtors*, Doc. No. 1383, **Exhibit 2** (highlights added by Receiver) ("Debtors Motion to Approve Settlement"). This motion was approved by the Dallas Bankruptcy Court in the *Order Granting Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and the Reorganized Debtors* on September 20, 2022, at Doc. 1422 ("Order Approving Settlement with Princeton"). The Receiver filed an appeal from the Order Approving Settlement with Princeton. That appeal is presently inactive.

The Parties explicitly integrated their mutually signed Settlement Term Sheet into the Settlement Agreement. The Settlement Agreement contains the following provisions incorporating the Settlement Term Sheet, "which shall remain in force and effect."[5]

> **WHEREAS**, on August 22, 2022, Princeton and the Great Value Parties executed that certain settlement term sheet providing for the resolution of claims and issues between such parties and separately contemplated the negotiation and execution of a note purchase agreement in furtherance of that resolution. The terms and conditions in this Agreement are the culmination of the negotiations over such note purchase agreement and is new and separate from the settlement agreement discussed in the term sheet;
>
> c. No failure or delay by any party hereto in exercising any right, power, or privilege hereunder or under that settlement term sheet dated August 22, 2022 (the "Settlement Term Sheet") shall operate as a waiver thereof, with all such rights, powers or privileges being expressly preserved, and any waiver of any breach of the provisions of this Agreement shall be without prejudice to any rights with respect to any other or further breach thereof or under the Settlement Term Sheet, which shall remain in force and effect.

[5] *See* Amended Settlement Agreement, at 3, 12, **Exhibit 1** herein and Exhibit 1 to the Order Approving Princeton Settlement (highlights added by Receiver); *see also* Debtors Sept. 20, 2022 Motion to Approve Settlement, Doc. No. 1383, at 3, 18 **Exhibit 2** (highlights added by Receiver); *see also* Settlement Term Sheet, at 4, Exhibit 1 to Princeton Motion to Approve Settlement, **Exhibit 1** herein (highlights added by Receiver).

Mr. Paul and Princeton signed and executed the Settlement Term Sheet:[6]

The foregoing is agreed to by the Parties as of August 22, 2022.

Princeton Capital Corporation	GVS Texas Holdings I, LLC and its related entities
_____	_____

The foregoing is agreed to by the Parties as of August 22, 2022.

Princeton Capital Corporation	GVS Texas Holdings I, LLC and its related entities
_____	_____

World Class Holdings I, LLC

_____

[6] *See* Settlement Term Sheet, Exhibit 1 to Princeton Motion to Approve Settlement, **Exhibit 1** herein (highlights added by Receiver).

Upon payment, the Settlement Term Sheet required Princeton to file a motion in Hon. Judge Ursula Hall's court to terminate the receivership:[7]

> 4. Following the release of the Settlement Amount to Princeton in accordance with the Order, Princeton agrees to file a motion (the "Princeton Receiver Termination Motion") in *Princeton Capital Corporation vs Great Value Storage LLC, et al* pending in the 165th District Court of Harris County, Texas, case no. 2019-18855 (the "Princeton Lawsuit") seeking the immediate termination of the order appointing Seth Kretzer as Receiver (the
>
> "Receivership Order"), and the receivership in accordance with Texas state law and a determination of the amounts to be paid to Seth Kretzer (the "Receiver"), if any, under the Receivership Order. Nothing herein or the Order shall prevent the World Class Entities, defined below, from opposing any payments to Kretzer. Princeton agrees to litigate such motion in good faith and on an expedited basis. Unless compelled to do so by the court, Princeton agrees it will make no statement regarding the amount of fees to be awarded. Further, for the avoidance of doubt, the failure of the court that appointed the Receiver to act quickly on the request to terminate the receivership shall not constitute a default under this Agreement.

Upon payment, the Settlement Term Sheet also required Princeton to "support motions by World Class Entities" to block Receiver's discovery motions and subpoenas in the 15 pending bankruptcy cases involving entities ultimately owned by Mr. Paul, pending in the U.S. Bankruptcy Court for the Western District of Texas, Austin Division ("Austin Bankruptcy Cases"), in which all but one of Paul's debtor entities

[7] *See* Settlement Term Sheet, pp. 1-2, Exhibit 1 to Princeton Motion to Approve Settlement, and p. 9 of Princeton Motion to Approve Settlement, **Exhibit 1** herein (highlights added by Receiver).

were facing so called "death penalty" sanctions[8] for failing to produce documents[9] in response to Receiver's subpoenas:[10]

> 6. Princeton agrees to have its counsel support motions by World Class Entities to temporarily abate all pending discovery in connection with the Receiver's claims in the bankruptcy cases of World Class Entities pending in the Bankruptcy Court for the Western District of Texas and make a representation at the August 22, 2022 hearing before Judge Davis confirming that the Parties have executed a Settlement Term Sheet which is subject to the execution of a formal settlement agreement and the approval of the Bankruptcy Court for the Northern District of Texas, and the funding of the settlement, and that Princeton supports temporary abatement of the pending actions and discovery until the Closing of this settlement and the funding of the Settlement Amount to Princeton.

Vitally, to illuminate Princeton's current representations to this Court, upon payment, the Settlement Term Sheet also required Princeton to "support the Judgment Debtors (World Class Capital Group, LLC and Great Value Storage, LLC) . . . and any related or affiliated entities (collectively the 'World Class Entities') in their efforts to abate all actions by the Receiver . . . to compel the Receiver to cease exercising authority

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[8] *See* Tr. Motions Hearing ("Austin Bankruptcy Court Show Cause Hearing"), at 12, *In re: 6th and San Jacinto, LLC*, No. 21-10942-tmd (Aug. 22, 2022), U.S. Bankruptcy Court, Western District of Texas, Austin Division ("The Austin Bankruptcy Court"), **Exhibit 5** (highlights by Receiver). Among the purposes for the hearing was for the Court to address the continued refusal of Nate Paul to produce relevant financial documents and records ordered for months, leading to contemplated so called "death penalty" sanctions. (Court: "I'm going to make available the entire range of sanctions that are available, including the death penalty sanction, which is to say that Mr. Paul is not going to get a penny out of any of these estates, ...").

[9] The Court will find nine *Orders to Show Cause* by Austin Bankruptcy Court attached as Exhibit 1 to Receiver's September 21, 2022 Opposition Response to Princeton's Rule 29.3 Emergency Motion for a Temporary Stay of the Receivership, this appeal, No. 01-21-00284-CV.

[10] *See* Settlement Term Sheet, at 2, Exhibit 1 to Princeton Motion to Approve Settlement, **Exhibit 1** (highlights added by Receiver).

over all World Class Entities and to compel the Receiver to return properties and money taken or transferred by Receiver . . . .":[11]

> 9. After the Closing and Princeton's receipt of the Settlement Amount, Princeton will support the Judgment Debtors (World Class Capital Group LLC and Great Value Storage LLC), the Great Value Parties and any related or affiliated entities (collectively the "World Class Entities") in their efforts to abate all actions by the Receiver, including all discovery in all actions, to obtain the withdrawal of all the Receiver's proofs of claims, to compel the Receiver to cease exercising authority over all World Class Entities, to stop or reverse the Receiver's dismissals of lawsuits on behalf of World Class Entities and to compel the Receiver to return properties and money taken or transferred by the Receiver purportedly
>
> in connection with the Receiver's collection of the Princeton Judgment. The term "support" as used in this paragraph shall be limited to jointly filing pleadings seeking such relief with the appropriate World Class Entities and attending hearings on such pleadings to announce its support of the relief sought. Princeton reserves all rights to review, revise, or reject any pleading to which its name will be attached as a movant. If the parties cannot agree on the form of a pleading, the World Class Entities are not entitled to invoke Princeton's name as a movant on such pleading.

Within hours of signing the Parties' Settlement Term Sheet, Princeton began to carry out the terms of its agreements by urging favorable treatment of Paul-controlled bankruptcy debtors. First, although Princeton had never filed an appearance or claim, Princeton made a surprise appearance at the August 22, 2022 Austin Bankruptcy Court hearing on possible "death penalty" sanctions, urging protection of the Paul-controlled debtors: "I do support the abatement [against Receiver's financial records discovery requests] that has been requested [from Paul-controlled debtors] and that the Court has now denied. But I wanted to let you know I supported it. . . . Nate Paul has agreed to

[11] *See* Settlement Term Sheet, pp. 2-3, Exhibit 1 to Princeton Motion to Approve Settlement, and p. 10 of that motion, **Exhibit 1** herein (highlights added by Receiver).

pay my client [Princeton] in full. And now I want to turn my head towards getting the Receiver into a position where the Receiver can be dismissed and paid. So just letting the Court know that I do still support the abatement [in favor of the Paul-controlled debtors]."[12] Next, in this Court, within minutes of receiving its $11.37 million wire payment, Princeton filed its September 20, 2022 "unopposed" motion to stay the receivership.[13] Then on October 10, 2022, Princeton's bankruptcy counsel informed Austin Bankruptcy Court that the "settlement" had been paid October 7:

[12] *See* **Exhibit 5**, Tr., Austin Bankruptcy Court Show Cause Hearing, at 20-21 (highlights by Receiver). Princeton was represented in all bankruptcy proceedings by Hon. Ms. Judith Ross.
[13] Princeton's *Unopposed Rule 29.3 Emergency Motion for a Temporary Stay of the Receivership*, No. 01-21-00284-CV (Sept. 20, 2022).

From: **Judith Ross** Judith.Ross@judithwross.com
Subject: Case numbers listed below
Date: October 10, 2022 at 4:40 PM
To: sarah_wood@txwb.uscourts.gov, jack_eiband@txwb.court
Cc: jong@munsch.com, bcumings@gdhm.com, rosherow@hotmail.com, pat.lowe.law@gmail.clm, nancy.ribaudo@kellyhart.com, michael.mcconnell@kellyhart.com, dawn.ragan@cr3partners.com, Stephen Roberts sroberts@srobertslawfirm.com, Casey.Roy@usdoj.gov, Jason.Cohen@bracewell.com jason.cohen@bracewell.com, anguyen@munsch.com, Mark Ralston mralston@fjrpllc.com, Jennifer_Lopez@txwb.uscourts.gov, Lynnette R. Warman lwarman@cm.law, Richard G. Grant rgrant@cm.law, James Volberding james@volberdinglawfirm.com, lrea@forsheyprostok.com, kdm@romclaw.com, sthomas@romclaw.com

Re:

WC 511 Barton Blvd., LLC; Case No.21-10943-tmd
Sixth & San Jacinto, LLC; Case No. 21-10942-tmd
WC Alamo Industrial Center, LP; Case No. 22-10047-tmd
WC Braker Portfolio, LLC; Case 22-10293-tmd
WC 717 Harwood Property LLC; Case No. 21-10630-tmd
WC Met Center, LLC; Case No. 21-10698-tmd
WC Culebra Crossing SA, LP; Case No. 21-10360-tmd
WC South Congress Square, LLC; Case No. 20-11107-tmd
WC 3rd and Trinity, LP; Case No. 21-10252-tmd
Arboretum Crossing, LLC; Case No. 21-10546-tmd

Good afternoon. Please advise Judge Davis that the settlement between Princeton Capital Corporation and the Great Value Storage entities was successfully funded on October 7, 2022. If the Court has any questions, please let me know.

Regard,

Judith W. Ross
Ross & Smith, PC
700 North Pearl Street, Suite 1610
Dallas, TX 75201

Consequently, this Court should appreciate that the pleading filed today by Princeton—disclaiming that it "is no longer a party to the Note Payable Agreement that is subject of the trial court's judgment and appeal,"[14] in favor the newly created Paul-controlled Phoenix Lending, LLC ("Phoenix or Phoenix Lending") in its place—was filed in accordance with the protocols of the Settlement Term Sheet, which Princeton

[14] *Princeton's Response to Court's March 30, 2023 Order*, at 2, No. 01-21-00284 (Apr. 10, 2023).

did not inform this Court it had signed. Princeton has to do what Appellants say to avoid repayment of money it has already distributed to its shareholders.

B. Princeton told the Dallas Bankruptcy Court that the Settlement Agreement is "a clear success," "ending multiple contentious and expensive litigation proceedings, . . . which all carry substantial business risk . . . . thereby ending years long disputes."

On August 27, 2022, Princeton told the Dallas Bankruptcy Court something different than it tells this Court today when it declared that, "The Settlement Term Sheet serves as the basis for the forthcoming Settlement Agreement."[15] Princeton announced, "The Settlement Agreement is a clear success for the Defendants and WCH . . . while also permitting Princeton to obtain a recovery without the need for further litigation."[16] "[T]he settlement provides that Princeton will be paid $11,372,698.89 . . . in exchange for a full mutual release of the settling Defendants, including the Reorganized Debtors and WCH. . . . and provide finality to contentious and prolonged litigation."[17] "As a result, Princeton asserts that the consideration for the settlement is fair, reasonable, ... [and for] the benefit of all parties and the interest of all stakeholders involved, ..."[18] "WCH and Princeton have engaged in good faith, and ultimately, successful settlement discussions, which culminated in the execution of that certain

[15] Princeton Motion to Approve Settlement, at n.2, **Exhibit 1** herein (highlights added by Receiver).
[16] *Id.* at 3.
[17] *Id.*
[18] *Id.* at 4.

Settlement Term Sheet on August 22, 2022. . . . The Settlement Term Sheet is binding . . . ."[19] "$11,372,698.89 . . . will be used to fund the settlement of the Judgment."[20] "The Settlement Agreement evidences a business deal among the parties, ending multiple contentious and expensive litigation proceedings, . . . which all carry substantial business risk . . . . thereby ending years long disputes . . . ."[21]

C. Princeton also informed the Securities and Exchange Commission that it "entered into a settlement," and later "closed the settlement and received $11,372,699," by which it "received payment in full."

Princeton not only represented to the Austin and Dallas Bankruptcy Courts that it had executed a settlement agreement in return for full payment and resolution, it also informed the Securities and Exchange Commission ("SEC"). Informative are Princeton Capital's June 30, 2022 Form 10-Q Report and its September 2, 2022 Form 8-K Report, filed with the Securities and Exchange Commission. On page 28 of its June 30, 2022 report, filed August 12, 2022, Princeton Capital's Chief Executive Officer reported to the SEC, "On June 30, 2021, the Company filed a Motion for Post-Judgment Receivership to appoint a receiver to the court ***to collect the judgment on our behalf***. On September 8,

[19] *Id.* at 7.
[20] *Id.* at 8.
[21] *Id.* at 11.

2021, the court granted the appointment of a receiver."[22] Princeton Capital assigned a fair value to its note in this case of $4,854,720.[23]

Only 28 days later, on page 1 of its September 2, 2022 report, Princeton's CFO reported to the SEC, "On September 2, 2022, the Company, Natin Paul (on behalf of himself individually and on behalf of all entities that he either owns or controls), . . . and Phoenix Lending, LLC, as the Assignee of the Transaction Documents (including certain Promissory Notes) ***that were the subject of the State Litigation***, entered into a ***settlement***, assignment and acceptance agreement . . . pursuant to which, . . . the Assignee will pay to the Company the amount of $11,372,698.89."[24]

And on March 30, 2023—two weeks ago—Princeton filed its Annual Report (Form 10-K) with the SEC.[25] Princeton informed the SEC, "On October 7, 2022, the Company ***closed the settlement and received $11,372,699***."[26] "The Company ***received***

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[22] Princeton Capital Corp, Form 10-Q, Filed 08/12/22 for the Period Ending 06/30/22, Securities and Exchange Commission (Wash. D.C.) at 28 (signed by Mr. Mark S. DiSalvo, Interim Chief Executive Officer) (Emphasis added). The report is available at: https://ir.princetoncapitalcorp.com/all-sec-filings/content/0001213900-22-047395/0001213900-22-047395.pdf.

[23] *Id.* at 8.

[24] Princeton Capital Corp, Form 8-K, Filed 09/09/22 for the Period Ending 09/02/22, Securities and Exchange Commission (Wash. D.C.) at 1 (signed by Mr. Gregory J. Cannella, Chief Financial Officer) (emphasis added). Available at: https://ir.princetoncapitalcorp.com/all-sec-filings/content/0001213900-22-055043/0001213900-22-055043.pdf.

[25] Princeton Capital Corp, Annual Report, Form 10-K, Filed 03/30/23 for the Period Ending 12/31/22, Securities and Exchange Commission (Wash. D.C.) at 1 (signed by Mr. Mark S. DiSalvo, Interim Chief Executive Officer) (emphasis added). Available at: https://ir.princetoncapitalcorp.com/all-sec-filings#document-689-0001213900-23-024619.

[26] *Id.* at 20, F-34 (emphasis added).

payment in full on October 7, 2022."[27] "For the fiscal year ended December 31, 2022, the Company declared and paid a cash dividend of $0.075 per share of common stock on or about December 1, 2022 to stockholders of record as of the close of business on November 21, 2022."[28] A graph included by Princeton indicates that the company's share price spiked when the settlement was announced.[29] Further, Princeton informed the SEC that *Appellants themselves* regard the judgment fully paid and settled, revealing that A*ppellants* had agreed to indemnify Princeton up to $1 million in for future legal fees incurred by Princeton: "Further, the GVS affiliated parties agreed to indemnify the Company and retain $1 million on reserve in the bankruptcy court for any future legal fees or claims related ***to the settlement***."[30]

Notably, despite the Parties' attempts in the Debtors Motion to Approve Settlement to characterize the agreement as something other than a settlement, Princeton has never swayed from reporting the deal for exactly what it is, a settlement of the lawsuit and judgment.

[27] *Id.* at 26 (emphasis added).
[28] *Id.* at 22.
[29] *Id.* at 22.
[30] *Id.* at 20 (emphasis added).

D. <u>Appellants</u> also told the Dallas Bankruptcy Court that "The Settlement Agreement is the product of extensive negotiations between Defendants and Princeton," and "provides immediate certainty and finality with respect to the outcome of contentious and expensive litigation with Princeton."

Similarly, *Appellants*, through Paul-controlled entities, explained to the Dallas Bankruptcy Court that they had settled with Princeton. Ms. Sheena Paul—a licensed attorney—testified both as counsel for her client and brother, Mr. Nate Paul, and for Appellant, World Class Capital Group, LLC, ***and as "the authorized representative" for Phoenix Lending***.[31] Ms. Paul testified that her client, Mr. Nate Paul, acting alone, authorized her to testify as the designated representative for each of the Reorganized Debtors, the Adversary Defendants, World Class Holdings I, LLC, *and Phoenix Lending*.[32] Significantly, the same law firm (Squire Patton Boggs) represents Appellants, the various Paul-controlled entities, *and Phoenix Lending*.[33] The law firm evidently perceives no conflict of interest because they are all owned and controlled by Mr. Paul.

Ms. Sheena Paul told the Dallas Bankruptcy Court, "The Settlement Agreement is the product of extensive negotiations between Defendants and Princeton," and "provides immediate certainty and finality with respect to the outcome of contentious and expensive

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[31] Declaration of Sheena Paul (filed in the Dallas Bankruptcy Case), *In re: GVS Texas Holdings I, LLC*, No. 21-31121-mvl11, Doc. No. 1406, at 2 (Sept. 13, 2022) ("Declaration of Sheena Paul"), **Exhibit 3** (highlights added by Receiver).

[32] *See* Transcript of Deposition of Sheena Paul ("Sheena Paul Depo."), **Exhibit 4**, at 7:18 – 10:7; 14:21 – 15:24.

[33] **Exhibit 4**, Sheena Paul Depo. at 13:16-22 (Q.: "Does Squire Patton Boggs represent Phoenix Lending?" Ms. Paul: "In connection with the 9019 Motion and this Settlement Agreement, yes.").

litigation with Princeton."[34] "[T]his ensures that Princeton -- there are – there's no further litigation, or no further actions that need to be taken by Princeton to resolve the open litigation or no matters between the Reorganized Debtors debts and Princeton."[35] "And, so, over the course of several weeks of negotiation, this was the deal the parties were able to reach."[36]

Appellants, through Paul-controlled entities, further told the Dallas Bankruptcy Court, "For years, Princeton and the Defendants have disputed whether Princeton is entitled to a pecuniary recovery . . . spawning litigation in several courts including before this Court. . . . The Settlement Agreement is a testament to the Parties' determination and discipline to put aside their differences and negotiate a mutually agreeable settlement."[37] "The Settlement Agreement is a clear success for the Reorganized Debtors, Princeton, the Defendants, and WCH . . . permitting Princeton to obtain a recovery without the need for further extensive and expensive litigation."[38] "Settlement Term Sheet. . . . shall remain in force and effect."[39]

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[34] Declaration of Sheena Paul, at 6 (Sept. 13, 2022), **Exhibit 3** (highlights added by Receiver).
[35] **Exhibit 4**, Sheena Paul Depo. at 64:14-18.
[36] **Exhibit 4**, Sheena Paul Depo. at 68:18-21.
[37] Debtors Motion to Approve Settlement, at 3, **Exhibit 2** (highlights added by Receiver).
[38] *Id.*
[39] *Id.* at 18. The Debtors Motion to Approve the Settlement Agreement, with the Settlement Term Sheet incorporated, was filed by the law firm Squire Patton Boggs, which also represents Appellants before this Court. The law firm evidently believes there is no conflict of interest because all of the Appellant entities involved, including Phoenix Lending, are ultimately owned and controlled by Mr. Paul.

The Receiver's simple contention is that the Parties should be taken at their words in court and to the SEC. The Parties negotiated and signed an enforceable settlement agreement, containing a binding Settlement Term Sheet, and paid and received $11.37 million, the full amount owed, to bring the litigation to a close. Considering the *de novo* standard of review for determining appellate jurisdiction,[40] this Court should stop at this point and dismiss this appeal for want of subject matter jurisdiction in light of the Parties' settlement.[41]

II. THE TEXAS SUPREME COURT—AND THIS COURT—PROHIBIT ATTEMPTS TO MANUFACTURE STANDING AND CONTINUE LITIGATION WHEN THERE NO LONGER REMAINS ANY JUSTICIABLE APPELLATE CONTROVERSY.

"The parties may not create a justiciable interest by agreement."[42]

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[40] *Black v. Wash. Mut. Bank*, 318 S.W.3d 414, 416 (Tex. App.—Houston [1st Dist.] 2010, pet. dism'd w.o.j.) ("Whether a court has subject-matter jurisdiction is a question of law, subject to *de novo* review."), ("Subject-matter jurisdiction is fundamental and may be raised for the first time on appeal.") (Quoting Texas Supreme Court); *see also Badaiki v. Miller*, No. 14-17-00450-CV, 2019 Tex. App. LEXIS 1384, *4 (Tex. App.—Houston [14th Dist.] Feb. 26, 2019, no pet.) ("Lack of subject-matter jurisdiction generally bars a court from doing anything other than dismissing the suit.") (Citing *Fin. Comm'n of Tex. v. Norwood*, 418 S.W.3d 566, 578 (Tex. 2013)); *Ahmad v. State*, 615 S.W.3d 496, 500 (Tex. App.—Houston [1st Dist.] 2020, no pet.) ("Subject matter jurisdiction can be raised at any time. *Alfonso v. Skadden*, 251 S.W.3d 52, 55 (Tex. 2008) (per curiam). Subject matter jurisdiction is a question of law, which we review *de novo*. *Meyers v. JDC/Firethorne, Ltd.*, 548 S.W.3d 477, 486 (Tex. 2018).") (Landau, J., with Justices Peter Kelly and Keyes).

[41] *Allen v. United Servs. Auto. Ass'n*, No. 01-20-00305-CV, 2020 Tex. App. LEXIS 10131, *13 (Tex. App.—Houston [1st Dist.] Dec. 22, 2020, no pet.) (Countiss, J.) ("In fact, "[a] court can—and if in doubt, must—raise standing on its own at any time. And a party may challenge its opponent's standing at any stage of a proceeding.") (Citing *Meyers v. JDC/Firethorne, Ltd.*, 548 S.W.3d 477, 484 (Tex. 2018) and *Tex. Ass'n of Bus. v. Tex. Air Control Bd.*, 852 S.W.2d 440, 443-46 (Tex. 1993) (declaring standing is never presumed, cannot be waived, and may be raised for first time on appeal)).

[42] Adele Hedges, 1 TEX. PRAC. GUIDE CIVIL PRETRIAL § 2:16 (*citing Holland v. Taylor*, 153 Tex. 433, 435,

Disregarding the principle that parties cannot collusively manufacture standing where none exists, Appellants implore this Court to fix the obvious mootness deficiency, identified by the Court's March 30, 2023 order, by substituting the Appellee, Princeton, with a newly minted entity, Phoenix Lending. But Phoenix Lending is merely an empty, uncapitalized shell company wholly owned by Mr. Paul (the same person who wholly owns both Appellants, Great Value Storage, LLC, and World Class Capital Group, LLC). Mr. Paul created Phoenix August 31, 2022[43]—two days before signing the settlement agreement and nine days before Ms. Sheena Paul's deposition—for no other purpose than the perpetration of this specific fraudulent assignment.[44]

In other words, Appellants are trying to advance a position in which the Appellee (Princeton) has no standing—because it has been satisfied in full—and instead to manufacture standing by the slight-of-hand of switching a front company as the nominal holder of a debt that has been paid in full. A debt that no longer exists.

The Texas Supreme Court holds such attempt to be illegal:

> The requirement in this State that a plaintiff have standing to assert a claim derives from the Texas Constitution's separation of powers among the departments of government, which denies the judiciary authority to decide

270 S.W.2d 219, 220 (1954)).

[43] *See* State of Delaware Secretary of State (https://icis.corp.delaware.gov/eCorp/EntitySearch/NameSearch.aspx) (Enter Name Search: "Phoenix Lending"); *see also* Sheena Paul Depo., at p. 24, **Exhibit 4.**

[44] The Parties signed the Settlement Agreement on September 2, 2022, and the revised version, with terms imposed by the Dallas Bankruptcy Court, on September 20, 2022. *See* **Exhibit 4**, Sheena Paul Depo. at 47:1-11.

> issues in the abstract, and from the Open Courts provision, which provides court access only to a "person for an injury done him". A court has no jurisdiction over a claim made by a plaintiff without standing to assert it. For standing, a plaintiff must be personally aggrieved; his alleged injury must be concrete and particularized, actual or imminent, not hypothetical.[45]

The Supreme Court reminded, "Texas courts have long held that an appealing party may not complain of errors that do not injuriously affect it or that merely affect the rights of others."[46]

The hallmark case from this Court is *Salazar v. HPA Tex. Sub 2016-1, LLC*,[47] a doctrinal case quoting from the Fourteenth Court of Appeals' decision in *Alarcon v. Velazquez*:[48]

> "Only the party whose primary legal right has been breached may seek redress for the injury." *Alarcon v. Velazquez*, 552 S.W.3d 354, 359 (Tex. App.—Houston [14th Dist.] 2018, pet. denied). "Without a breach of a legal right belonging to a specific party, that party has no standing to litigate." *Id.*

If this Court does not reject the sophistry urged by Appellants, Phoenix could easily defraud some unknowing third party into buying its putative "note payable agreement" with a "face value" of millions of dollars—but with an actual value of zero because the obligation has been paid in full. Ms. Sheena Paul in fact acknowledged her

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[45] *DaimlerChrysler Corp. v. Inman*, 252 S.W.3d 299, 304-05 (Tex. 2008) (citations omitted).
[46] *Torrington Co. v. Stutzman*, 46 S.W.3d 829, 843 (Tex. 2000).
[47] No. 01-19-00330-CV, 2020 Tex. App. LEXIS 10279, *10 (Tex. App.—Houston [1st Dist.] Dec. 29, 2020, pet. denied).
[48] 552 S.W.3d 354, 359 (Tex. App.—Houston [14th Dist.] 2018, pet. denied).

brother and client might try to sell the note payable agreement.[49] The purchaser would discover it had been defrauded when it contacted the owner of Great Value Storage, LLC to demand payment, only to learn that that owner of Great Value is none other than Nate Paul, who also owns Phoenix, the shell company which sold the purchaser the note. Would Mr. Paul then honor the note payable agreement and pay another $11.37 million to the purchaser? Or would Mr. Paul then reveal that the note had been fully paid in the September 2022 settlement, and, of course, no longer existed because of the Texas merger doctrine? The logic of *Salazar v. HPA Tex. Sub 2016-1, LLC* is an insuperable obstacle to judicial countenance of such predictable fraud by Phoenix and Mr. Paul.[50]

Why on earth would Appellants wish to do this? Because Mr. Paul wants to be on both sides of this appeal and the lower court action. Mr. Paul wants to be Appellant and Appellee, and Plaintiff and Defendant, in effect, suing himself and appealing himself. Then Mr. Paul will ask this Court and the 165th District Court for advisory opinions in his favor, by submitting "agreed" and "unopposed" motions to upend the receivership,

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[49] *See* **Exhibit 4**, Sheena Paul Depo. at 62:24-25 ("If Phoenix then sells the note to somebody else, I mean that's its own business decision."), at 66:1-6 ("Correctly, what I said is that the new noteholder [Phoenix] will make business decisions as to what it intends to do with the asset it purchased.")

[50] *Accord Morlock, L.L.C. v. Bank of N.Y.*, 448 S.W.3d 514, 520 (Tex. App.—Houston [1st Dist.] 2014, no pet.) ("It is a fundamental rule of law that only the person whose primary legal right has been breached may seek redress for an injury.").

reverse the secured creditor settlement agreements executed by Receiver, and avoid paying the Receiver's fees. The Court should dismiss this appeal for lack of subject matter jurisdiction in light of settlement and full satisfaction of the Appellee, Princeton. None of Appellants' objections can overcome an unchangeable circumstance: Mr. Paul signed a settlement agreement, by "Nate Paul, on behalf of himself individually and ***on behalf all entities that he either owns or control*** (in whole or in part) [excluding the two present parent company judgment debtors controlled by Paul],"[51] and paid Princeton $11.37 million, for which Appellants declare, "Princeton has been satisfied . . . ."[52]

III. THE PARTIES ARE PROHIBITED BY THE MERGER DOCTRINE FROM ASSIGNING PRINCETON'S NOTE PAYABLE AGREEMENT TO A NEWLY CREATED APPELLANT-CONTROLLED ENTITY.

A. Under the merger doctrine, the note payable agreement on which Princeton filed suit merged with Hon. Judge Hall's final judgment. When that occurred, the note payable agreement ceased to exist and consequently cannot be assigned to Appellants' newly formed and controlled entity.

Appellants contend that Mr. Paul has obtained control of Princeton's original note payable agreement via a newly formed shell company, Phoenix Lending. Appellants overlook the merger doctrine. Under Texas law, the merger doctrine renders invalid the proposed assignment by Princeton of its note payable agreement to the newly formed entity controlled by Appellants, Phoenix Lending, created two days

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[51] *See* Amended Settlement, at p. 23, **Exhibit 1**.

[52] Appellants / Defendants' *Post-Hearing Submission* at 7, No. 2019-18855 (Mar. 10, 2023).

before signing the settlement agreement.[53] Simply put, Princeton no longer owned a promissory note to sell after Judge Hall signed the March 4, 2021 final judgment.

Under the merger doctrine, it is well established that upon entry of a judgment, the contractual relationship between the parties that gave rise to the debt merges into the judgment.[54] *Res judicata* serves the public goals of affording full respect to prior judgments and relieving courts from repetitious litigation, and the private goal of "repose"—to be finally free from the cost and hassle of litigation.[55]

The doctrine of merger is a specific application of *res judicata*, and operates with the same principles.[56] Under the doctrine, "if a plaintiff prevails in a lawsuit, his cause of action merges into the judgment and the cause of action dissolves."[57] "[I]n Texas, the doctrine of merger holds that all rights under a contract are extinguished by and merged into the terms of a judgment."[58]

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[53] *See* note *supra*. Phoenix Lending was incorporated in Delaware August 31, 2022, two days before the first version of the Settlement Agreement, September 2, 2022, revised pursuant to the Bankruptcy Court's instructions, September 20, 2022.

[54] *Puga v. Donna Fruit Co.*, 634 S.W.2d 677, 679 (Tex. 1982).

[55] CHARLES ALAN WRIGHT & ARTHUR R. MILLER, 18 FEDERAL PRACTICE AND PROCEDURE § 4403, 23-27 (2d ed. 2012).

[56] *Puga v. Donna Fruit Co.*, 634 S.W.2d 677, 679 (Tex. 1982) ("The doctrine of res judicata deals generally with the conclusive effects of judgments, encompassing the separate judicial doctrines of merger, bar and collateral estoppel."); *see also Jeanes v Henderson*, 688 S.W.2d 100, 103 (Tex. 1985).

[57] *Jeanes v. Henderson*, 688 S.W.2d 100, 103 (Tex. 1985).

[58] Memorandum Opinion by Hon. Bankruptcy Judge Davis, *In re Russell Allen Graves, Carol L. Graves*, Case No. 14-11240-tmd (Bankr. W.D. Tex. 2016), *see* n.49. *See also Bynum v. Shatto*, 514 S.W.2d 808, 810 (Tex. App.—Corpus Christi, 1974, writ ref'd) (affirming holding that the "plaintiff's cause of action on the note had merged in the Harris County judgment"); *Krauss v.* West, 123 S.W.2d 946, 948 (Tex. App.—El Paso 1938, writ dism'd) ("[W]hen appellee brought suit on the first note and secured

Therefore, applying these long-standing principles, when the district court issued a final judgment on March 4, 2021 in favor of Princeton Capital and against the Appellants, the underlying note payable agreement on which Princeton filed suit merged into the final judgment. On that date, Princeton no longer possessed interests in the note payable agreement as the note payable agreement functionally ceased to exist. There was therefore no longer any note payable agreement between the Parties which could be assigned by Princeton to Paul's newly formed Phoenix Lending. The purported assignment of the note payable agreement constitutes a legal nullity. And in fact, Appellants conceded to the Dallas Bankruptcy Court that "the judgment and the note are not severable. The judgment is the memorialization of the obligations and the litigation related to the note. So it's all part of the same."[59]

B. Phoenix Lending is merely a shell company owned and controlled by Nate Paul, created two days before signing the settlement agreement.

A party cannot manufacture legal standing by suing itself and demanding a trial, then an appeal, aiming to obtain self-serving advisory opinions. Consequently, a second barrier to the settlement agreement's purported assignment of Princeton's note payable

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a judgment thereon … her note and deed of trust lien were merged into the first judgment."); *Standard Sav. & Loan Ass'n v. Miller*, 114 S.W.2d 1201, 1208 (Tex. Civ. App.—Fort Worth 1938, no writ.) ("Plaintiffs' original right for personal judgment on the note executed by them, and for foreclosure of the mortgage given to secure the same, were all merged in the judgment.").

[59] *See* **Exhibit 4**, Sheena Paul Depo. at 63:24-25, 64:1-3.

agreement is that it would put the owner of both the Appellee and the Appellants on both sides of the appeal and the district court action. The newly minted "Phoenix Lending" is yet another Paul and World Class entity, created by Mr. Paul,[60] for the purpose of using the reserved funds of the Reorganized Debtors (that is, the sixteen Paul controlled entities in the chapter 11 bankruptcy in the Northern District of Texas) in an attempt to "purchase" the judgment.[61] The newly formed entity is owned exclusively by Mr. Paul, who is the president and sole member.[62] A Houston attorney named Mickey Altman is the only other officer and was given the title of vice president by Mr. Paul.[63]

Bank records obtained by the Receiver, however, reveal that Mr. Altman was paid at least $87,721.51 out of the accounts of World Class Holding Company, LLC and World Class Holdings, LLC between January 1, 2022, and May 10, 2022.[64] Mr. Altman has an

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[60] Ms. Sheena Paul, attorney and Nate Paul's sister, testified that Phoenix was formed on August 31, 2022, nine days before Ms. Paul's deposition, by Appellants' attorney Brian Elliot at the request of either she or her brother, Mr. Nate Paul. *See* Ms. Sheena Paul Depo., at p. 24, **Exhibit 4.**

[61] Phoenix was formed August 31, 2022, by Mr. Brian Elliot, a long-time lawyer for Natin Paul, on behalf of a Natin Paul employee or independent contractor known as Mickey Altman, a Houston attorney. Mickey Altman is shown on ZoomInfo as currently employed by World Class Capital Group, LLC in New York. Mickey Altman signed as corporate officer for Phoenix Lending. *See* Amended Settlement Agreement, at p. 62, **Exhibit 1**.

[62] Paul is designated as president of the newly formed entity and the only member of the LLC. Sheena Paul Depo. at 24:21–25, 25:1-2, **Exhibit 4.**

[63] *See* Amended Settlement Agreement, at p. 62, **Exhibit 1**; *see also* Sheena Paul Depo. at 24:5–25:2, **Exhibit 4**. Defendants' and purchaser's counsel instructed Ms. Paul not to answer any questions about Mr. Altman's prior business relationship with any of the World Class entities. Sheena Paul Depo. at 25:3–27:6.

[64] Receiver's Objection to Emergency Motion [to Settlement Agreement], filed in Dallas Bankruptcy Case, at Doc. No. 1403, p. 6 (Sep. 12, 2022).

agency relationship of some type for or under Mr. Paul. Perhaps more importantly, Ms. Sheena Paul admitted that Mr. Altman did not participate at all in the negotiation of the settlement agreement (which was signed two days after Phoenix was formed) but merely signed it on behalf of Phoenix at Mr. Paul's direction.[65]

If a defendant in a lawsuit were permitted to purchase a note payable against himself and continue litigation, he would wind up owing himself, then suing himself. Through the merger doctrine, the merger of a note payable agreement into a court's final judgment eliminates this contradiction.[66]

Applying the merger doctrine, when Phoenix Lending (the "assignee") putatively acquired the judgment through an assignment from Princeton Capital, the essential qualities of the judgment creditor (now, Phoenix, controlled by Mr. Paul) and the judgment debtors (World Class Capital Group, LLC and Great Value Storage, LLC, also controlled by Mr. Paul) became united in the same individual and entity (Nate Paul and World Class). But the merger doctrine prohibits such a contrivance. First, Princeton's note payable agreement merged into the district court's March 4, 2021 judgment, thereby becoming a legal nullity and ceasing to be anything that Princeton

[65] **Exhibit 4**, Sheena Paul Depo. at 30:9–31:4; 33:3- 6.

[66] Although from another jurisdiction, a decision with similar facts is *Access Realty Grp., Inc. v. Kane*, 2019 IL App (1st) 180173 (Sept. 13, 2019) (Merger doctrine applies when judgment creditor's judgment is later acquired by entity whose sole shareholder owes a debt to judgment debtor).

could assign to anyone. Second, even applying Appellant's logic, the Appellants now owe themselves, as creditor and debtor, on a fully satisfied judgment. The merger doctrine eliminates both of these contradictions.

C. The shell company, Phoenix Lending, has suffered no injury.

The newly formed front company, Phoenix Lending, has suffered no injury. Nullification by operation of the merger doctrine leaves zero dollars for Phoenix to collect. Quoting *DaimlerChrysler v. Inman*, this Court has recently explained:

> First, we look at the plaintiff's alleged injury. The plaintiff must be personally injured, meaning they must plead facts that show they, not a third party, suffered an injury. . . . *see* Tex. Const. art. I, § 13. The injury 'must be concrete and particularized, actual or imminent, [and] not hypothetical.'[67]

Even assuming Princeton "assigned" something to Phoenix, the value of the object of the assignment is zero. In other words, Phoenix is owed nothing because the assignee—Princeton—was paid in full.

Consequently, the proper course of action is for this Court to dismiss this appeal for lack of subject matter jurisdiction. Princeton will still be entitled to keep the $11.37 million in full satisfaction of the Court's judgment. And in fact, Princeton distributed

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[67] *Polo Meadow Tr. v. Walden on Lake Hous. Cmty. Servs. Ass'n*, No. 01-21-00258-CV, 2022 Tex. App. LEXIS 6141, *4 (Tex. App.—Houston [1st Dist.] Aug. 23, 2022, no pet. h.) (Quoting 252 S.W.3d 299, 304-05 (Tex.) (citations omitted).

this money to its shareholders last December by declaring a special dividend.[68] In sum, this appeal is even more moot now than it was last year.

IV. THIS COURT HAS NO JURISDICTION TO CONSIDER AN APPEAL PROSECUTED BY PHOENIX RATHER THAN PRINCETON.

A party generally has standing to appeal a judgment only if the party is aggrieved by the judgment.[69] If Phoenix were permitted to accede to the position of appellee that Princeton has occupied since September 2021—when Appellants filed their notice of appeal—from whom is Phoenix asking to collect? From two defunct companies wholly owned by the same person who wholly owns Phoenix?[70]

This Court most fully explained standing on appeal in the case of *Nephrology Leaders & Assocs. v. Am. Renal Assocs. LLC*:[71]

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[68] Princeton Capital Corp, Annual Report, Form 10-K, Filed 03/30/23 for the Period Ending 12/31/22, Securities and Exchange Commission (Wash. D.C.) at 1, 22 (signed by Mr. Mark S. DiSalvo, Interim Chief Executive Officer) ("For the fiscal year ended December 31, 2022, the Company declared and paid a cash dividend of $0.075 per share of common stock on or about December 1, 2022 to stockholders of record as of the close of business on November 21, 2022.") The report is available at: https://ir.princetoncapitalcorp.com/all-sec-filings#document-689-0001213900-23-024619.

[69] *Pike v. Tex. EMC Mgmt., LLC*, 610 S.W.3d 763, 775 (Tex. 2020).

[70] On November 15, 2021, Appellant Great Value Storage, LLC ("GVS") filed the affidavit of Barbie Lee, "bookkeeper," who testified that GVS is insolvent. *See GVS Letter*, Nov. 15, 2021, No. 01-21-00284-CV, Exhibit 1, Declaration of Barbie Lee. On December 31, 2021, Appellants GVS and World Class Capital Group, LLC ("WCCG") filed affidavits of Ms. Lee and Mr. Paul, who testified that GVS and WCCG are defunct, owning nothing but debts and old furniture. *See* Appellants' *Interim Status Report*, No. 01-21-00284-CV (Dec. 31, 2021), Exhibits H, J and K, *Declarations of Barbie Lee and Natin Paul*. On April 18, 2022, however, Receiver explained why GVS and WCCG no longer have assets, documenting that Paul misappropriated more than $87 million from WCCG and $9 million from GVS. *See Brief of the Receiver*, No. 01-21-00284-CV (Apr. 18, 2022).

[71] 573 S.W.3d 912, 914 (Tex. App.—Houston [1st Dist.] 2019, no pet.).

> In determining whether an appellant has standing, a party's status in the trial court is not controlling. *Tex. Quarter Horse*, 496 S.W.3d at 184. The 'ultimate inquiry is whether the appellant possesses a justiciable interest in obtaining relief from the lower court's judgment.' *Id.* (*citing Torrington*, 46 S.W.3d at 843-44 (appellate standing requires party's own interests prejudiced by alleged error)). Specifically, to have standing, an appellant must be personally aggrieved, meaning 'his alleged injury must be concrete and particularized, actual or imminent, not hypothetical.' *Fin. Comm'n of Tex. v. Norwood*, 418 S.W.3d 566, 580 (Tex. 2013).

"Because Nephrology lacks standing to bring this appeal, we dismiss it for want of subject-matter jurisdiction."[72]

Having paid the full value of Hon. Judge Hall's March 2021 judgment, is one to assume GVS now wishes to pay $11.37 million a second time, to its wholly owned sibling company, Phoenix? And further, is one to assume Phoenix also now wishes to adopt Princeton's June 1, 2022 oral arguments to this Court that a Receiver should go seize GVS's and WCCG's assets and transfers to satisfy the March 2021 judgment?

Of course not. "Thus, an appellate court lacks jurisdiction to review a ruling appealed by a party without standing."[73] Unless this Court dismisses for lack of jurisdiction, the next motion from Phoenix will be to strike the Appellee's November 29, 2021 Brief filed by Princeton, then file a substitute brief opposing the receivership

[72] *Id.* at 917 (also noting "it does not follow that we disregard the Texas Constitution's standing requirements of injury and redressability.").
[73] *Kenneth D. Eichner, P.C. v. Dominguez*, No. 14-18-00399-CV, 2022 Tex. App. LEXIS 897, *18 (Tex. App.—Houston [14th Dist.] Feb. 8, 2022, pet. denied).

originally sought by Princeton, and then ask this Court to re-argue the appeal this Court heard June 1, 2022,[74] asking now to undo the receivership. Phoenix will seek to flip what Princeton told this Court about the value and necessity of the Receiver. Princeton fought tooth and nail for Receiver—in opposition to Appellants' motions to stay the receivership in the Fall of 2021, again in Princeton's appellate brief, again at oral argument on June 1, 2022, and yet again in its June 10, 2022 post-argument submission—73 days before signing the Settlement Term Sheet:

> ***This Court should deny Appellants' Rule 29.3 motion to suspend the Receivership***. Appellants claim that the Receiver is exceeding its authority, yet refuse to raise any purported issues directly with the trial court or produce *any documents* that would substantiate the ownership of the various World Class assets ***that the Receiver is attempting to collect***. . . . ***There is no good cause to suspend the Receivership***."[75]

> "[]Appellants [Nate Paul] are unhappy that ***the Receiver is, in fact, acting pursuant to his authority to secure the judgment debtors' assets***. . . . This Court's close attention to Appellants' actions in this regard is important and Princeton looks forward to the opportunity to fully brief the legal and factual merits supporting trial court's entry of the Receivership Order and the necessity for such order, should Appellants ultimately file an appellate brief on this issue."[76]

> "There is an ***emergency need for the Receiver*** to take action to prevent Appellants from contributing to removing assets outside of the reach of

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[74] *See* Oral Args., June 1, 2022, no. 01-21-00284-CV.

[75] Appellee Princeton Capital Corp. Letter Response to Appellee's June 3, 2022 Post-Argument Letter at 6, No. 1-21-00284-CV (June 10, 2022) (emphasis "any documents" in original; other emphases added).

[76] Appellee Princeton Capital Corp. Brf., at 48-49, No. 1-21-00284-CV (Nov. 29, 2021) (emphasis added).

the properly-appointed Receiver, and of Princeton Capital Corporation ("Princeton") as the judgment creditor."[77]

"All parties are best protected during this appeal with the turnover Order securely in place and the contested assets ***under careful oversight of the court-appointed Receiver***."[78]

"Respectfully, Princeton has experienced much of the same pattern of behavior from Appellants in this dispute and shares the same concern that Appellants' assets will be lost, removed, or materially injured ***if not protected by the trial court's Order appointing the Receiver***."[79]

"As set out in the Receiver's Opposition to Appellants' Motion to Stay, ***the Receiver already located non-exempt assets*** of the judgment debtors that are available to satisfy the judgment, and which Appellants had failed to disclose in response to any discovery requests and the trial court's Order."[80]

"***Allowing the Receiver to secure the Appellants' assets during the pendency of the appeal is the only way*** to ensure that any assets that remain are not improperly transferred out of the companies to avoid the judgment."[81]

"Last, despite the significant obstacles created by the Judgment Debtors, the Receiver has developed a factual record showing that Debtors have misrepresented information about assets and engaged in fraudulent transfers of funds and properties to avoid the liability to Princeton and others. ***The Receiver's work is sorely needed to shine the light on what has occurred and unwind the complex financial transactions*** in order to secure Princeton's judgment from the Debtors' fraud."[82]

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[77] Appellee Princeton Letter to Court of Appeals Clerk, at 1, No. 1-21-00284-CV (Oct. 15, 2021) (emphasis added).

[78] Princeton's Opposition to Appellants' Emergency Motion to Stay Appointment of Receiver, at 3, No. 1-21-00284-CV (Oct. 13, 2021) (emphasis added).

[79] *Ibid* at 9 (emphasis added).

[80] *Ibid* at 15 (emphasis added).

[81] *Ibid* at 20-21 (emphasis added).

[82] Appellee's Response to Appellant's Supplemental Brief Regarding Interlocutory Appeal of

> "***[T]he Receiver is taking steps to locate valuable real estate assets*** that the Debtors' own and that are housed within wholly-owned subsidiary entities."[83]
>
> "***There is an emergency need for the Receiver*** to take action to prevent Appellants from contributing to removing assets outside of the reach of ***the properly-appointed Receiver***, and of Princeton as the judgment creditor. Part of what the ***Receiver is authorized to do is take control of the judgment debtors' business*** to ensure that assets that should be available to satisfy the judgment are not depleted or fraudulently transferred away from the debtor entity. . . . Princeton respectfully requests that the Court withdraw the October 26, 2021 Order temporarily granting the motion to stay, and ***reinstate the Receivership with the authority granted by the trial court's September 8, 2021 Order***.[84]

This Court should not permit the subterfuge that Appellants seek.

V. THE COURT LACKS SUBJECT MATTER JURISDICTION OVER THIS APPEAL.

For these reasons, therefore, Appellants' contentions are without merit. The Court should dismiss this appeal for want of subject matter jurisdiction for the reasons set forth by the Court.

Upon dismissal of this appeal, Receiver will request the district court to sign two proposed orders by Receiver—previously filed, with copies to all counsel. Approval of these orders will: (1) approve payment of the receivership fees currently held on reserve

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Receiver Order, at 15, No. 1-21-00284-CV (Apr. 15, 2021) (emphasis added).

[83] *Ibid* at 21 (emphasis added).

[84] Appellee Princeton Capital Corp. Letter to Court, at 5, No. 1-21-00284-CV (Nov. 16, 2021) (emphases added).

by the Dallas Bankruptcy Court, in accordance with the terms set by the 165th District Court in its September 8, 2021 Receivership Order, without objection by Appellants, thus waived,[85] and (2) dismiss the Appellants' remaining lawsuit against Receiver.

As an aside, there is a related pending suit on these same issues by two Appellant-controlled entities against Receiver. The suit, Harris County district court cause number 2021-77945, was transferred to the 133rd District Court. Receiver's Rule 91a motion to dismiss, filed December 27, 2021, is pending. Disposing of both cause 2021-77945, and the primary cause 2019-18855, would be appropriate, thereby resolving all matters before the district court.

If Appellants nevertheless persist in their settlement agreement assignment arguments, Receiver will also ask the district court to approve the $11.37 million settlement agreement after eliminating the two unnecessary assignment provisions which violate Texas law.

Respectfully submitted this 10 day of April 2023,

Seth Kretzer

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[85] Tex. R. App. P. 33.1(a); *Fed. Deposit Ins. Corp. v. Lenk*, 361 S.W.3d 602, 604 (Tex. 2012).

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ATTORNEY FOR RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this document has been delivered this April 10, 2023 (by court electronic filing only) to all counsel of record for Appellants and Appellee.

James W. Volberding

JAMES W. VOLBERDING

CERTIFICATE OF COMPLIANCE

As required by Texas Rule of Appellate Procedure 9.4, I certify that the number of words in this pleading is 7,788, measured from page one through the conclusion, according to Word. This pleading was prepared with Microsoft Word for Apple, version 16.51.

James W. Volberding

JAMES W. VOLBERDING

EXHIBIT 1

Exhibit 1

Executed Settlement Term Sheet

Note to Court and Parties: To facilitate review, the August 22, 2022 Settlement Term Sheet is presented first, followed by the file-marked August 27, 2022 motion to which the Settlement Term Sheet was attached. The highlights of selected text are by Receiver. Following the motion, Receiver presents the September 20, 2022 Bankruptcy Court Order, containing the Parties' September 20, 2022 Amended Settlement Agreement ("Amended and Restated Settlement, Assignment and Acceptance Agreement"). The two documents together form the total of the Parties' executed Amended Settlement Agreement.

Settlement Term Sheet between Debtors in *In re GVS Texas Holdings I, LLC* in the United States Bankruptcy Court for the Northern District of Texas -Dallas Division Case No. 21-31121-MVL (the "GVSH Case") and World Class Holdings I, LLC, (such parties collectively referred to as the "Great Value Parties"), on the one hand, and Princeton Capital Corporation ("Princeton"), on the other (the "Parties").

The Great Value Parties and Princeton will enter into a written settlement agreement (the "Settlement Agreement") consistent with, and including, the following terms:

1. $11,372,698.89 (the "Settlement Amount") of GVSH funds currently held in reserve for Princeton in ***In re GVS Texas Holdings I, LLC* in the United States Bankruptcy Court for the Northern District of Texas -Dallas Division Case No. 21-31121-MVL** (the "Princeton Reserve") will be used to fund the settlement of the judgment in favor of Princeton in *Princeton Capital Corporation vs Great Value Storage LLC, et al* pending in the 165th District Court of Harris County, Texas, case no. 2019-18855 (the "Princeton Judgment"), subject to the satisfaction of all conditions below.[1]

2. This Agreement, the execution of which shall occur no later than 2 p.m. CDT, Monday, August 22, 2022, is conditioned upon the execution of the Settlement Agreement and the entry of an order (the "Order") by the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court") approving the Settlement Agreement.[2] The Parties agree to jointly seek approval on an expedited basis. If the bankruptcy court denies the requested relief, the Agreement will become void and of no effect.

3. The Order must authorize the release of the Settlement Amount from the Princeton Reserve and direct the title company holding the Princeton Reserve to release such funds upon entry of the Order. After entry of the Order, the Settlement Amount shall be immediately released from the Princeton Reserve to Princeton in accordance with any instructions in the Order and any balance in the Princeton reserve shall be released to WCHI. As part of the Settlement Agreement, the Parties shall draft written escrow instructions (the "Escrow Instructions") addressed to the title company holding the Princeton Reserve indicating how the Settlement Amount shall be released. The Escrow Instructions shall be included in the Order.

4. Following the release of the Settlement Amount to Princeton in accordance with the Order, Princeton agrees to file a motion (the "Princeton Receiver Termination Motion") in *Princeton Capital Corporation vs Great Value Storage LLC, et al* pending in the 165th District Court of Harris County, Texas, case no. 2019-18855 (the "Princeton Lawsuit") seeking the immediate termination of the order appointing Seth Kretzer as Receiver (the

[1] The Parties shall, in good faith, negotiate with each other, before closing, the terms of a Note Purchase Agreement under which the WCHI or Great Value parties will purchase the Princeton Note, subject to indemnification of Princeton agreeable to all parties. However, if no such agreement is reached, the transactions described in this Settlement Term Sheet will close as currently contemplated in this Settlement Term Sheet.

[2] Except that paragraphs 5 and 6 shall be enforceable upon execution of this Settlement Term Sheet.

"Receivership Order"), and the receivership in accordance with Texas state law and a determination of the amounts to be paid to Seth Kretzer (the "Receiver"), if any, under the Receivership Order. Nothing herein or the Order shall prevent the World Class Entities, defined below, from opposing any payments to Kretzer. Princeton agrees to litigate such motion in good faith and on an expedited basis. Unless compelled to do so by the court, Princeton agrees it will make no statement regarding the amount of fees to be awarded. Further, for the avoidance of doubt, the failure of the court that appointed the Receiver to act quickly on the request to terminate the receivership shall not constitute a default under this Agreement.

5. Upon the execution of this Settlement Term Sheet, the Parties agree to file a motion in the GVSH Case (and any cases in which there is a pending claim for Princeton's judgment and for which notice of such request is provided by one of the Great Value Parties) seeking a temporary abatement of the adversary proceeding between them during the pendency of the bankruptcy court's review and approval of the Settlement Agreement.

6. Princeton agrees to have its counsel support motions by World Class Entities to temporarily abate all pending discovery in connection with the Receiver's claims in the bankruptcy cases of World Class Entities pending in the Bankruptcy Court for the Western District of Texas and make a representation at the August 22, 2022 hearing before Judge Davis confirming that the Parties have executed a Settlement Term Sheet which is subject to the execution of a formal settlement agreement and the approval of the Bankruptcy Court for the Northern District of Texas, and the funding of the settlement, and that Princeton supports temporary abatement of the pending actions and discovery until the Closing of this settlement and the funding of the Settlement Amount to Princeton.

7. The Settlement Amount can only be funded upon delivery of the Order and Escrow Instructions jointly by Princeton and WCHI to the title company holding the Princeton Reserve, along with a certified copy of the Order approving the Settlement Agreement.

8. After the title company holding the Princeton Reserve has received the Order and Escrow Instructions from Princeton, the following will occur at closing ("Closing"):
    a. Princeton will be paid the Settlement Amount from the Princeton Reserve.
    b. The balance of the Princeton Reserve will be paid to WCHI.
    c. Princeton will dismiss its adversary proceeding with prejudice and withdraw its claims in GVSH case and cease all further collection actions on those claims.
    d. The mutual releases described in paragraph 10 will become effective.

9. After the Closing and Princeton's receipt of the Settlement Amount, Princeton will support the Judgment Debtors (World Class Capital Group LLC and Great Value Storage LLC), the Great Value Parties and any related or affiliated entities (collectively the "World Class Entities") in their efforts to abate all actions by the Receiver, including all discovery in all actions, to obtain the withdrawal of all the Receiver's proofs of claims, to compel the Receiver to cease exercising authority over all World Class Entities, to stop or reverse the Receiver's dismissals of lawsuits on behalf of World Class Entities and to compel the Receiver to return properties and money taken or transferred by the Receiver purportedly

in connection with the Receiver's collection of the Princeton Judgment. The term "support" as used in this paragraph shall be limited to jointly filing pleadings seeking such relief with the appropriate World Class Entities and attending hearings on such pleadings to announce its support of the relief sought. Princeton reserves all rights to review, revise, or reject any pleading to which its name will be attached as a movant. If the parties cannot agree on the form of a pleading, the World Class Entities are not entitled to invoke Princeton's name as a movant on such pleading.

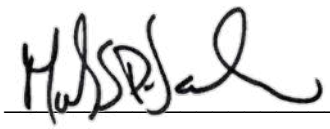
10. The Settlement Agreement will include mutual releases between Princeton, its borrowers, Nate Paul, and all entities owned, affiliated, or managed by Nate Paul, including but not limited to all World Class Entities and all Great Value Entities, including those named as defendants in the Princeton adversary proceeding, but not the Receiver or his agents, attorneys, or representatives. However, such releases will only become effective when Princeton has received the Settlement Amount.

11. This Term Sheet reflects the entire agreement of the Parties and shall be effectuated subject to Bankruptcy Court approval of the Settlement Agreement.

[Signature Page Follows]

The foregoing is agreed to by the Parties as of August 22, 2022.

Princeton Capital Corporation



GVS Texas Holdings I, LLC and its related entities

World Class Holdings I, LLC

[Signature Page to the Settlement Term Sheet by and among Princeton Capital Corporation and the Great Value Parties (as defined herein)]

The foregoing is agreed to by the Parties as of August 22, 2022.

Princeton Capital Corporation

GVS Texas Holdings I, LLC and its related entities

World Class Holdings I, LLC

[Signature Page to the Settlement Term Sheet by and among Princeton Capital Corporation and the Great Value Parties (as defined herein)]

Exhibit 2

Escrow Instructions

ROSS & SMITH, PC
Complex Bankruptcy, Corporate and Mediation

_____, 2022

VIA HAND DELIVERY

Fidelity National Title Insurance Company
Attn: Larry Boes
485 Lexington Ave., 18th Floor
New York, New York 10017
Larry.Boes@fnf.com

Re: Title No. 58349 (In re Great Value Storage) – Disbursement Instruction Letter Regarding Princeton Reserve

Mr. Boes:

As you may be aware, Ross & Smith, PC ("R&S") is counsel for Princeton Capital Corporation ("Princeton") and Squire Patton Boggs (US) LLP ("Squire") is counsel for World Class Holdings I, LLC ("WCH"), 36 non-debtor defendants (collectively, the "Non-Debtor Defendants") in the case styled *Princeton Capital Corporation v. GVS Texas Holdings I, LLC, et al.*, Adv. Case No. 22-03043 (Bankr. N.D. Tex. 2022) (the "Princeton Proceeding"), and the fifteen reorganized debtors (collectively, the "Reorganized Debtors" and together with WCH and the Non-Debtor Defendants, the "World Class Entities") in chapter 11 bankruptcy proceedings in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"), which cases are pending as *In re GVS Texas Holdings I, LLC*, *et al.*, main Case No. 21-31121-MVL (Bankr. N.D. Tex. 2021) (the "Bankruptcy Cases").

Pursuant to Paragraphs 3 and 4 of the *Order Granting Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise between Princeton Capital Corporation and the Reorganized Debtors* [AP Docket No. _] (the "Settlement Order") entered in the Princeton Proceeding, and Paragraph 4(b) of the *Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1329] (the "Reinstatement Order") entered in the Bankruptcy Cases, Fidelity National Title Insurance Company (the "Title Company") must disburse the $15 million being held by the Title Company (the "Princeton Reserve") on account of certain claims held by Princeton against certain of the World Class Entities in accordance with the instructions contained in this letter (the "Escrow Instructions"), a substantially identical copy of which is attached as Exhibit 2 to the Settlement Order.

A certified copy of the Settlement Order is physically attached to this letter as Exhibit A. A certified copy of the Reinstatement Order is physically attached to this letter as Exhibit B.

In addition to being approved by the Bankruptcy Court, the Escrow Instructions have been jointly drafted by counsel for Princeton and the World Class Entities. Lawyers from both R&S and Squire have signed the Escrow Instructions, as directed by the Bankruptcy Court.

As further directed by the Bankruptcy Court via the Settlement Order and Reinstatement Order, the Escrow Instructions hereby direct the Title Company to perform the following:

The Title Company is directed to disburse the following amounts of the Princeton Reserve by wire transfer to Princeton, on one hand, and Horizon Bank (the "1031 Agent"), on the other hand, from Account No. ******1018 (the "Princeton Reserve Account") no later than one (1) business day after receiving the Escrow Instructions from counsel for Princeton via hand delivery, in accordance with paragraph 4 of the Settlement Order:

1. Princeton: $11,372,698.89; and
2. 1031 Agent: $[____].[1]

Immediately upon receipt of the hand delivered Escrow Instructions from counsel for Princeton, the Title Company shall notify counsel for Princeton and the World Class Entities that the hand delivered Escrow Instructions comply with paragraph 4 of the Settlement Order. Counsel for Princeton and the World Class Entities, on behalf of the 1031 Agent, shall then immediately provide the Title Company with their respective wire instructions in separate emails, along with a phone number that the Title Company shall call to confirm the wire instructions for Princeton and 1031 Agent, respectively, before making any disbursements from the Princeton Reserve.

Neither R&S nor Squire will be confirming those wire transfer instructions by telephone, however, I am counsel of record in the Bankruptcy Court for Princeton and am available to confirm the authenticity of this correspondence by telephone at (214-377-8659). Likewise, counsel of record in the Bankruptcy Court for the World Class Entities, Jeffrey N. Rothleder, is available to confirm the authenticity of this correspondence by telephone at (202-457-6462).

Sincerely,

/s/ DRAFT
Judith W. Ross
Partner, Ross & Smith, PC
Counsel for Princeton Capital Corporation

-and-

[1] The funds that remain in the Princeton Reserve following the initial disbursement directed herein, $[____] shall be held by the Title Company and shall be disbursed only upon submission thereto of joint written instructions executed by counsel for Princeton and the World Class Entities, approved by a future order of the bankruptcy court.

/s/ DRAFT
Jeffrey N. Rothleder
Partner, Squire Patton Boggs (US) LLP
Counsel for the World Class Entities

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COUNSEL FOR PRINCETON CAPITAL CORPORATION

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

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

EMERGENCY MOTION PURSUANT TO BANKRUPTCY RULE 9019 FOR ENTRY OF AN ORDER APPROVING A SETTLEMENT AND COMPROMISE BETWEEN PRINCETON CAPITAL CORPORATION AND THE REORGANIZED DEBTORS

AN EXPEDITED HEARING HAS BEEN REQUESTED ON THIS MATTER. 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 PRIOR TO THE HEARING DATE. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THIS EMERGENCY MOTION; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

Princeton Capital Corporation ("Princeton") files this *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and the Reorganized Debtors* (the "Emergency Motion"), and hereby moves for entry of two orders: one substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), approving (a) that certain forthcoming settlement agreement[2] (the "Settlement Agreement") by and among Princeton, the above-captioned reorganized debtors (the "Reorganized Debtors"), the 36 Non-Debtor Defendants[3] in *Princeton Capital Corp. v. GVS Texas Holdings I, LLC*, Adv. Case No. 22-03043 (Bankr. N.D. Tex. 2022) (the "Adversary Proceeding"), and World Class Holdings I, LLC ("WCH" and together with the Reorganized Debtors and Non-Debtor Defendants, the "Defendants") (collectively, Princeton and the Defendants shall be referred to herein as the "Parties"), and (b) the escrow instructions letter[4] (the "Escrow Instructions") drafted by Princeton directing Fidelity National Title Insurance Company (the "Title Company") to disburse the $15 million being held in Account No. ******1018 by the Title Company (the "Princeton Reserve"); and an order substantially in the form attached hereto as **Exhibit B** (the "Order of Dismissal"), dismissing the Adversary Proceeding after entry of the Proposed Order. In support of the Emergency Motion, Princeton respectfully states as follows:

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[2] The executed Settlement Term Sheet (as defined below) is attached to the Proposed Order as **Exhibit 1**. The Settlement Term Sheet serves as the basis for the forthcoming Settlement Agreement, which has not yet been finalized by the Parties. The final form of the Settlement Agreement will be provided to the Court as soon as practicable.

[3] "Non-Debtor Defendants" means, collectively, World Class Capital Group, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC; WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; and WC Kansas City Storage GP, LLP.

[4] The Escrow Instructions proposed by Princeton are attached to the Proposed Order as **Exhibit 2**.

PRELIMINARY STATEMENT

1. For nearly a decade, the Defendants have disputed whether Princeton is entitled to a pecuniary recovery against certain entities indirectly owned by Natin Paul. Although Princeton is confident that it will prevail, the Parties have agreed that the time has come to settle the various claims and grant one another mutual releases. The Settlement Agreement is a testament to the Parties' determination and discipline to put aside their differences and negotiate a mutually agreeable settlement.

2. The Settlement Agreement is a clear success for the Defendants and WCH because it reflects the resolution of one of the last remaining disputes before this Court related to these chapter 11 cases, while also permitting Princeton to obtain a recovery without the need for any further litigation. Not only does the Settlement Agreement result in the direct resolution of the Adversary Proceeding, but it also provides finality with respect to Princeton's proofs of claim filed in these cases against the Reorganized Debtors, while also providing a significant recovery to the Reorganized Debtors and equity holder.

3. As detailed herein, the settlement provides that Princeton will be paid $11,372,698.89 from the Princeton Reserve (the "Settlement Amount") in exchange for a full mutual release of the settling Defendants, including the Reorganized Debtors and WCH. In reaching this Settlement Agreement, the Parties, after good faith and hard-fought negotiations, agreed to terms that will obviate the need for the Reorganized Debtors, the Parties, and this Court to expend any further time and resources on the Adversary Proceeding, and provide finality to contentious and prolonged litigation. Indeed, this resolution brings these cases to the brink of conclusion and removes one of the last obstacles to obtaining a final decree.

4. As a result, Princeton asserts that the consideration for the settlement is fair, reasonable, and certainly falls above the lowest point in the range of reasonableness. Thus, given the benefit to all parties and the interest of all stakeholders involved, the Settlement Agreement should be approved. That said, as explained more fully in the *Request to Expedite Consideration* (the "Request") filed concurrently with this Emergency Motion, Princeton warns the Court that the Defendants do not support the current form of the Emergency Motion. Together, the Parties worked hard—and continue to work hard—to resolve the issues between the Parties and reduce to writing a final Settlement Agreement in keeping with the Settlement Term Sheet executed by the Parties. However, the Defendants are refusing to join the filing of this Emergency Motion because a final Settlement Agreement has not yet been reached even though a binding Settlement Term Sheet has been executed. Because such resolution has not been reached, and because Princeton believes time is of the essence to set this matter before the Court by September 2, 2022 (the date mutually contemplated by the Parties), Princeton now files the Emergency Motion with the expectation that the final Settlement Agreement will be filed early next week, along with a final motion signed by the Reorganized Debtors. In the meantime, as described in the Request, Princeton asks that this Court set this matter, along with Reorganized Debtors' forthcoming motion, for hearing on September 2, 2022.

JURISDICTION AND VENUE

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). This Court has constitutional authority to enter final orders with respect to the relief requested herein. Princeton confirms its consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by this Court related to the Emergency Motion. Venue is proper before

this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief requested herein are section 1129 of title 11 of the United States Code (the "Bankruptcy Code"), Bankruptcy Rule 9019, and rule 9019-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Northern District of Texas (the "Local Rules").

BACKGROUND

I. Texas District Court Judgment

6. Between July 31, 2012 and November 12, 2014, Great Value Storage, LLC ("GVS") and/or World Class Capital Group, LLC ("WCCG," together with GVS, the "Judgment Entities") executed three senior secured promissory notes for a total of $5.6 million (the "Promissory Notes") with Capital Point Partners II, LP pursuant to that certain Note Purchase Agreement dated November 12, 2014 (as amended on November 12, 2014 and May 19, 2016, the "NPA"). The NPA was subsequently assigned to Princeton.

7. On March 14, 2019, Princeton sued GVS, WCCG, and Natin Paul with respect to the Promissory Notes in the case styled *Princeton Capital Corporation vs Great Value Storage LLC, et al.* pending in the 165th District Court of Harris County, Texas (the "Texas District Court"), Case No. 2019-18855. On March 9, 2021, the Texas District Court ordered that the Judgment Entities were liable to Princeton for contract damages of $9,759,713.84 and attorneys' fees of $150,887.50 (the "Judgment"). To date, there has been no judgment found or assessed against Natin Paul.

8. The Judgment Entities have appealed the Judgment in Texas state court.

II. Princeton Proofs of Claim and Related Objections

9. On January 21, 2022, Princeton filed the following amended proofs of claim in the Reorganized Debtors' bankruptcy cases (the "Bankruptcy Cases"):

a) Proof of Claim No. 119-8 filed against GVS Portfolio I B, LLC;

b) Proof of Claim No. 120-4 filed against GVS Portfolio I, LLC;

c) Proof of Claim No. 121-78 filed against GVS Texas Holdings I, LLC;

d) Proof of Claim No. 122-32 filed against GVS Texas Holdings II, LLC;

e) Proof of Claim No. 123-12 filed against GVS Ohio Holdings I, LLC;

f) Proof of Claim No. 124-10 filed against GVS Ohio Holdings II, LLC;

g) Proof of Claim No. 125-10 filed against WCH Mississippi Storage Portfolio I, LLC;

h) Proof of Claim No. 126-6 filed against GVS Nevada Holdings I, LLC;

i) Proof of Claim No. 127-7 filed against GVS Missouri Holdings I, LLC;

j) Proof of Claim No. 128-9 filed against New York Holdings I, LLC;

k) Proof of Claim No. 129-8 filed against GVS Indiana Holdings I, LLC;

l) Proof of Claim No. 130-7 filed against GVS Illinois Holdings I, LLC;

m) Proof of Claim No. 131-13 filed against GVS Tennessee Holdings I, LLC;

n) Proof of Claim No. 132-7 filed against GVS Colorado Holdings I, LLC; and

o) Proof of Claim No. 164-2 filed against GVS Portfolio I C, LLC (collectively, the "Princeton Proofs of Claim").

10. On March 15, 2022 and April 7, 2022, WCH and the Reorganized Debtors, respectively [Docket Nos. 841 and 925], filed objections to the Princeton Proofs of Claim in the Bankruptcy Cases (separately the "WCH Claim Objection" and the "Reorganized Debtors' Claim Objection" and collectively, the "Claim Objections").

III. Adversary Proceeding

11. On April 27, 2022, Princeton filed an eight-count *Complaint* [AP Docket No. 1], commencing the Adversary Proceeding.

12. On May 18, 2022, the Court entered the *Stipulation and Order Regarding*

Resolution by and between World Class Holdings I, LLC, Princeton Capital Corporation, and the Reorganized Debtors Regarding Motion to Consolidate Princeton Claims and Related Objections into Adversary Proceeding [Docket No. 1090], which, *inter alia*, consolidated the Princeton Proofs of Claim and Claim Objections into the Adversary Proceeding.

13. On June 21, 2022, the Non-Debtor Defendants moved to dismiss the Complaint [Docket Nos. 13, 14]. Later, on August 17, 2022, Princeton responded to the motion to dismiss [Docket No. 27]. No hearing has yet occurred on the motion to dismiss.

IV. Settlement Term Sheet

14. Over the last several weeks, WCH and Princeton have engaged in good faith, and, ultimately, successful settlement discussions, which culminated in the execution of that certain *Settlement Term Sheet* on August 22, 2022 (the "Settlement Term Sheet"), attached as **Exhibit 1** to the Proposed Order. The Settlement Term Sheet is binding and requires, *inter alia*, that the Parties (a) execute the Settlement Agreement, which reflects the terms in the Settlement Term Sheet, and (b) file this Emergency Motion requesting that the Court approve the Proposed Order, *i.e.*, the Settlement Agreement and Escrow Instructions. The form of the Escrow Instructions has largely been agreed to by the Parties and is attached as **Exhibit 2** to the Proposed Order. The Parties continue to work in good faith to negotiate the Settlement Agreement and will submit it to the Court as soon as practicable.

V. The Settlement Agreement

15. Princeton believes that the Parties will soon enter into the Settlement Agreement, which will resolve all pending disputes between the Parties, including the Adversary Proceeding. The Parties will provide the final form of the Settlement Agreement to the Court as soon as practicable. In the meantime, the Parties have agreed to abate all hearings and deadlines in the

Adversary Proceeding pending this Court's consideration of the Emergency Motion. The material terms of the Settlement Agreement, which is currently evidenced by the Settlement Term Sheet attached as **Exhibit 1** to the Proposed Order, are set forth below.[5]

Settlement Amount	$11,372,698.89 of the $15,000,000 of the Princeton Reserve currently held by the Title Company in the Bankruptcy Cases will be used to fund the settlement of the Judgment, subject to the satisfaction of all other conditions in the Settlement Agreement. The payment of the Settlement Amount shall be paid in cash from the Princeton Reserve. The Parties have agreed to attempt to negotiate a Note Purchase Agreement whereby WCH, the Reorganized Debtors, or an affiliate or designee thereof, shall acquire the Promissory Notes and Judgment for the Settlement Amount pursuant to a mutually agreeable Note Purchase Agreement, including full indemnities. However, the failure to reach agreement on the terms of a Note Purchase Agreement will not prevent this transaction from closing.
Expedited Basis	The Defendants shall seek approval of the Settlement Agreement on an expedited basis. If the bankruptcy court denies the requested relief, the Settlement Agreement will become void and of no effect.
Escrow Instructions	The Proposed Order must authorize the release of the Settlement Amount from the Princeton Reserve and direct the Title Company holding the Princeton Reserve to release such funds upon entry of the Proposed Order. After entry of the Proposed Order, the Settlement Amount shall be immediately released from the Princeton Reserve to Princeton in accordance with any instructions in the Proposed Order and any balance in the Princeton Reserve, shall be released to the Reorganized Debtors. As part of the Settlement Agreement, the Parties shall draft the Escrow Instructions addressed to the Title Company holding the Princeton Reserve indicating how the Settlement Amount shall be released.

[5] In the event of any inconsistency between this Emergency Motion and the Settlement Agreement, the Settlement Agreement shall control.

Princeton Receiver Termination Motion in Texas District Court, Related Assistance Against Receiver	Following the release of the Settlement Amount to Princeton in accordance with the Proposed Order, Princeton agrees to file a motion (the "Princeton Receiver Termination Motion") in *Princeton Capital Corporation vs Great Value Storage LLC, et al* pending in the 165th District Court of Harris County, Texas, Case No. 2019-18855 (the "Princeton Lawsuit") seeking (1) immediate termination of the order appointing the Receiver (the "Receivership Order"), and also the receivership, in accordance with Texas state law, and (2) a determination of the amounts to be paid the Receiver, if any, under the Receivership Order. Nothing in the Settlement Agreement or the Proposed Order shall prevent the World Class Entities, as defined in the Settlement Term Sheet, from opposing any payments to the Receiver. Princeton agrees to litigate the Princeton Receiver Termination Motion in good faith and on an expedited basis. Unless compelled to do so by the Texas District Court presiding over the Receivership, Princeton agrees it will make no statement regarding the amount of fees to be awarded.
Stipulation to Abate Adversary Proceeding Hearings and Deadlines	Upon the execution of the Settlement Term Sheet, the Parties agree to file a motion in the Bankruptcy Cases seeking a temporary abatement of the Adversary Proceeding during the pendency of this Court's review and approval of the Settlement Agreement.
Support for Abatement of Receiver Discovery Requests	Princeton agrees to have its counsel support motions by the World Class Entities, as defined in the Settlement Term Sheet, to temporarily abate all pending discovery in connection with the Receiver's claims in the bankruptcy cases of World Class Entities pending in the Bankruptcy Court for the Western District of Texas.
Title Company Disbursement Requirements	The Settlement Amount can only be funded upon delivery of the entered Proposed Order and Escrow Instructions drafted by Princeton and WCH to the Title Company holding the Princeton Reserve, along with a certified copy of the executed Proposed Order approving the Settlement Agreement.
Effect of Closing	After the Title Company holding the Princeton Reserve has received the entered Proposed Order and Escrow Instructions from Princeton, the following will occur at closing ("Closing"):

	a. Princeton will be paid the Settlement Amount from the Princeton Reserve. b. The balance of the Princeton Reserve will be paid to the Reorganized Debtors. c. Princeton will dismiss the Adversary Proceeding with prejudice and withdraw its proofs of claim in the Bankruptcy Cases and cease all further collection actions on those claims. d. The mutual releases in the Settlement Agreement will become effective.
Princeton Post-Closing/Post-Payment Support	After the Closing and Princeton's receipt of the Settlement Amount, Princeton will support the World Class Entities, as defined in the Settlement Term Sheet, in their efforts to abate all actions by the Receiver, including all discovery in all actions, to obtain the withdrawal of all the Receiver's proofs of claims, to compel the Receiver to cease exercising authority over all World Class Entities, to stop or reverse the Receiver's dismissals of lawsuits on behalf of World Class Entities and to compel the Receiver to return properties and money taken or transferred by the Receiver purportedly in connection with the Receiver's collection of the Judgment. The term "support" as used in this paragraph shall be limited to jointly filing pleadings seeking such relief with the appropriate World Class Entities and attending hearings on such pleadings to announce its support of the relief sought. Princeton reserves all rights to review, revise, or reject any pleading to which its name will be attached as a movant. If the Parties cannot agree on the form of a pleading, the World Class Entities are not entitled to invoke Princeton's name as a movant on such pleading.
Mutual Releases	The Settlement Agreement includes customary mutual releases between Princeton, its borrowers, Natin Paul, and all entities owned, affiliated, or managed by Natin Paul, including but not limited to all World Class Entities and all Great Value Entities, as those terms are defined in the Settlement Term Sheet, including those named as defendants in the Adversary Proceeding, but not the Receiver or his agents, attorneys, or representatives. However, such releases will only become effective when Princeton has received the Settlement Amount.

RELIEF REQUESTED

16. By this Emergency Motion, Princeton respectfully requests entry of the Proposed Order approving the Settlement Agreement pursuant to Bankruptcy Rule 9019 and the related Escrow Instructions to the Title Company, and thereafter, once Princeton has been paid the Settlement Amount, for the Court to enter the Order of Dismissal.

BASIS FOR RELIEF

17. Through this Emergency Motion, Princeton requests this Court's approval of the Settlement Agreement which will be filed with the Court. The Settlement Agreement evidences a business deal among the Parties, ending multiple contentious and expensive litigation proceedings, including the Adversary Proceeding, which all carry substantial business risk. The Settlement Agreement will contemplate the resolution of all disputes among the Parties, thereby ending years' long disputes among Princeton and various of the Defendants.

18. Bankruptcy Rule 9019 authorizes bankruptcy courts to approve compromises and settlements. Ultimately, a compromise must be "fair, equitable, and in the best interest of the estate."[6] The decision to approve a compromise lies within the sound discretion of the bankruptcy court.[7] The Fifth Circuit has recognized that compromises are a "normal part of the process of reorganization . . . oftentimes desirable and wise methods of bringing to a close proceedings otherwise lengthy, complicated, and costly."[8]

19. In determining the reasonableness of a settlement, courts in the Fifth Circuit consider the following three factors: (a) "[t]he probability of success in [litigating the claim subject

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[6] *In re Roqumore*, 393 B.R. 474, 479 (Bankr. S.D. Tex. 2008) (citation omitted).

[7] *See In re AWECO, Inc.*, 725 F.2d 293, 297 (5th Cir. 1984).

[8] *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980) (emphasis added) (citing *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424–25 (1968)).

to settlement,] with due consideration for the uncertainty in fact and law; (b) [t]he complexity and likely duration of litigation and any attendant expense, inconvenience, and delay; and (c) [a]ll other factors bearing on the wisdom of the compromise."[9]

20. Factors "bearing on the wisdom of the compromise" include: (a) the paramount interest of creditors, with proper deference to their reasonable views; and (b) the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.[10]

21. Princeton bears the burden of establishing that the balance of the above factors leads to a fair and equitable compromise vis-à-vis the Settlement Agreement.[11] "The burden is not high"; rather, Princeton "need only show that [their] decision falls within the 'range of reasonable litigation alternatives.'"[12]

22. Weighing the foregoing factors overwhelmingly demonstrates that the Settlement Agreement is reasonable and supports finding that the Parties' entry into and performance under the Settlement Agreement is in the best interests of creditors and other stakeholders. Accordingly, this Court should grant the Emergency Motion, and authorize the Parties to enter into and perform under the Settlement Agreement.

A. Probability of Success

23. In examining the probability of success in the litigation being compromised, courts look to the legal and evidentiary obstacles to litigating each claim.[13] The probability of success is measured against the "definitive, concrete and immediate benefit" that a settlement provides

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[9] *In re Cajun Elec. Power Coop.*, 119 F.3d 349, 356 (5th Cir. 1997); *Jackson Brewing*, 624 F.2d at 602.

[10] *See In re Foster Mortg. Corp.*, 68 F.3d 914, 917-18 (5th Cir. 1995).

[11] *See In re Allied Properties, LLC*, 2007 WL 1849017, at *4 (citing *In re Lawrence & Erausquin, Inc.*, 124 B.R. 37, 38 (Bankr. N.D. Ohio 1990)); *see also In re GHR Companies, Inc.*, 50 B.R. 925, 931 (Bankr. D. Mass. 1985).

[12] *In re Allied Properties, LLC*, 2007 WL 1849017, at *4 (emphasis added) (citing *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983)); *see also In re Heritage Org., L.L.C.*, 375 B.R. 230, 282 (Bankr. N.D. Tex. 2007).

[13] *Hicks, Muse & Co. v. Brandt In re Healthco Int'l, Inc.*, 136 F.3d 45, 50 (1st Cir. 1998); *see also In re Allied Properties*, 2007 WL 1849017 at *4.

against the uncertainty and delay of litigation.[14] In deciding the probability of success in the litigation, the court is not required to conduct a "mini-trial" and decide the merits of the litigation, but rather to assess whether the settlement is within the range of reasonableness.[15]

24. In negotiating and considering the merits of the Settlement Agreement, the Parties considered all material disputes between Princeton and various Defendants in both the Adversary Proceeding and Texas District Court. If the Parties are permitted to prosecute their causes of action in the Adversary Proceeding, the Parties will incur significant expense to complete extensive discovery, retain expert witnesses, and prepare for a potentially long and contentious trial. And, while the Parties are confident in their positions, there is no certainty in the outcome.

25. Finally, any litigation has a high likelihood of appeal considering the amount-in-controversy at stake and issues involved, which would only further delay the Parties' ability to obtain relief. By entering into the Settlement Agreement, the Parties avoid the risk of not prevailing on their claims in the Adversary Proceeding, as well as potentially significant legal expenses.

B. Complexity of Litigation Involved and the Attendant Expense, Inconvenience, and Delay

26. As explained above, the Parties' likelihood of success in connection with the Adversary Proceeding is uncertain due to the complexity of the myriad factual and legal issues involved in both proceedings, which have been previewed in the Complaint, the Non-Debtor Defendants' motion to dismiss the Complaint, and Princeton's response to that motion. For example, the Complaint lists five different types of allegedly fraudulent transfers that purportedly occurred over the course of nearly a decade. Unraveling the allegations will be an expensive,

[14] *See In re Yacovi*, 411 F. App'x. 342, 346-47 (1st Cir. 2011) (citing *Healthco Int'l*, 136 F.3d at 50).

[15] *See In re Roqumore*, 393 B.R. at 480.

lengthy, and document-intensive process. The contemplated Settlement Agreement avoids such attendant expense and delay.

27. Indeed, in the absence of settlement, continued litigation of the Adversary Proceeding will take years to reach a final resolution, after accounting for the time necessary to reach decisions on the merits and to work through any challenge or appellate processes. Such delay will subject the Parties to the economic overhang of these disputes and hinder the final resolution of these cases while generating significant legal expenses and continue the uncertainty regarding whether Princeton will recover its Judgment from the Defendants. This sort of delay and uncertainty is unnecessary given the favorable settlement. For these reasons, the cost of the Settlement Agreement to each Party, especially the Defendants, is far outweighed by the benefit realized by ending this continuing contentious and expensive litigation and gaining certainty regarding the Defendants' exposure to Princeton.

C. Other Factors Bearing on the Benefits of the Compromise

(1) *Interests of the Creditors*

28. The terms of the Settlement Agreement are fair, reasonable, and in the best interests of creditors and other stakeholders. The creditors that have unresolved claims in the Bankruptcy Cases are Princeton and the Receiver.[16] Through the Settlement Agreement, only the Receiver will remain. The Title Company is holding $3.5 million, plus an additional $822,000.00 of funds related to the Receiver's proofs of claim and administrative expense claim, in an escrow account pending the resolution of the Receiver's adversary proceeding, administrative expense claim, and/or proofs of claim. As a result, the Receiver is adequately insulated from any outcome related

[16] Nothing herein shall be an admission that the Receiver is a creditor or has any interest in these cases.

to how the Princeton Reserve is disbursed.

29. With respect to the other stakeholders, the Defendants and WCH, the Settlement Agreement provides immediate certainty with respect to the outcome of contentious and expensive litigation. The Settlement Agreement also permits the Defendants and WCH to reallocate the resources they were dedicating to the Adversary Proceeding toward the Receiver's adversary proceeding and concluding these chapter 11 cases. At bottom, this resolution inures to the benefit of all parties and stakeholders.

(2) *Arms-Length Bargaining*

30. The Settlement Agreement is the product of extensive negotiations between the Defendants, WCH, and Princeton. Each of the Parties has been represented by experienced professionals throughout the Settlement Agreement negotiations and has acted in its own economic self-interest.[17] Consequently, this factor also weighs in favor of approving the Settlement Agreement.

PRAYER

31. For the foregoing reasons, Princeton respectfully requests this Court enter the Proposed Order attached hereto as **Exhibit A** approving the Settlement Agreement and Escrow Instructions, subject to providing this Court with a copy of the definitive signed Settlement Agreement once the parties sign and upload it. Once the Settlement Amount has been disbursed from the Princeton Reserve to Princeton, Princeton further requests that this Court enter the Order of Dismissal attached hereto as **Exhibit B**. Finally, Princeton requests that this Court grant

[17] *See In re Chemtura Corp.*, 439 B.R. 561, 608 (Bankr. S.D.N.Y. 2010) (settlement met this factor, where "[n]o argument ha[d] been made, nor could any argument be made, that counsel who put the Settlement together were anything less than highly skilled in their craft…."); *see also In re Drexel Burnham Lambert Grp., Inc.*, 960 F.2d 285, 292-93 (2d Cir. 1992) (approving complex, multi-party settlement agreement where many parties were "trying to maximize their own recovery," through extensive arms-length negotiations").

Princeton such other and further relief as may be just and proper.

RESERVATION OF RIGHTS

32. Princeton reserves the right to supplement or modify this Emergency Motion and to request additional relief or assert such further arguments as are, or may later become, available or apparent. Further, Princeton will continue to negotiate the terms of the final Settlement Agreement, at which point such agreement will be provided to the Court and all properties in interest.

NOTICE

33. Notice of this Emergency Motion has been provided via ECF/CM to: (a) the Office of the U.S. Trustee for the Northern District of Texas; (b) the Defendants, or counsel thereto; (c) the Receiver, or counsel thereto; (d) the United States Attorney's Office for the Northern District of Texas; (e) the Internal Revenue Service; (f) the state attorneys general for states in which the Debtors conducted business; (g) the Purchaser, or counsel thereto; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. Princeton submits that, in light of the nature of the relief requested, no other or further notice need be given.

[*Remainder of page intentionally left blank.*]

WHEREFORE, for the reasons set forth herein, Princeton respectfully requests that the Court enter the Proposed Order.

Dated: August 26, 2022
Dallas, Texas

/s/ Judith W. Ross
Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis`
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
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Email: jessica.lewis@judithwross.com

COUNSEL FOR PRINCETON CAPITAL CORPORATION

CERTIFICATE OF CONFERENCE

This will certify that Princeton has conferred with counsel for the Defendants, who do not consent to the filing or form of the Emergency Motion without the Final Settlement Agreement attached.

/s/ Judith W. Ross
Judith W. Ross

CERTIFICATE OF SERVICE

I hereby certify that on August 26, 2022, I caused a true and correct copy of the foregoing to be filed and served through ECF notification upon all parties who receive notice in this matter pursuant to the Court's CM/ECF filing system.

/s/ Judith W. Ross
Judith W. Ross

The following constitutes the ruling of the court and has the force and effect therein described.

Signed September 20, 2022

United States Bankruptcy Judge

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

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

ORDER GRANTING EMERGENCY MOTION PURSUANT TO BANKRUPTCY RULE 9019 FOR ENTRY OF AN ORDER APPROVING A SETTLEMENT AND COMPROMISE BETWEEN PRINCETON CAPITAL CORPORATION AND THE REORGANIZED DEBTORS

Upon consideration of the *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and*

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

the Reorganized Debtors (the "Emergency Motion")[2] requesting that the Court approve the Settlement Agreement[3] pursuant to Bankruptcy Rule 9019 and the related Escrow Instructions[4] to the Title Company, the Court (1) having considered the Emergency Motion and the objections filed by Seth Kretzer, Receiver (the "Receiver") for World Class Capital Group LLC ("WCCG") and Great Value Storage, LLC ("GVS"); (2) finding that (a) notice of the Emergency Motion was good and sufficient upon the particular circumstances and that no other or further notice need be given, (b) the Emergency Motion is a core proceeding under 28 U.S.C. § 157(b), (c) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and (d) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (3) finding that the Movants demonstrated both (a) good, sufficient, and sound business purposes and justifications for the Settlement Agreement and the transactions, compromises, and releases provided therein, and (b) compelling circumstances for approval of the Settlement Agreement pursuant to Bankruptcy Rule 9019; (4) finding that the terms of the Settlement Agreement are fair and reasonable, falling above the lowest point in the range of reasonableness, and are in the best interests of the Settling Parties and the Reorganized Debtors' stakeholders as a whole; (5) having weighed the probability of success in litigation, the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending to it,

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Emergency Motion or Settlement Agreement, as applicable. "Movants" means the Reorganized Debtors, the Non-Debtor Defendants and WCH. The "Settling Parties" means Movants and Princeton, but not including any party in receivership (including, without limitation, WCCG and GVS) or in a bankruptcy proceeding (including, without limitation, the debtors in In re WC South Congress Square LLC, Case No. 20-11107-TMD; In re WC 3rd and Trinity, LP, Case No. 21-10252-TMD; In re WC 511 Barton Blvd, LLC, Case No. 21-10943-TMD; In re WC Met Center, LLC, Case No. 21-10698-TMD; In re WC 717 N Harwood Property LLC, Case No. 21-10630-TMD; In re 6th and San Jacinto, LLC, Case No. 21-10942-TMD; In re WC Braker Portfolio, LLC, Case No. 22-10293-TMD; In re Arboretum Crossing LLC, Case No. 21-10546-TMD; In re WC Manhattan Place Property, LLC, Case No. 22-10047-TMD; In re WC Alamo Industrial Center, LP, Case No. 22-10026-TMD; and In re WC Culebra Crossing SA, LP, Case No. 21-10360-TMD, all pending in the United States Bankruptcy Court for the Western District of Texas, Austin Division (J. Davis, presiding).

[3] The Settlement Agreement is attached hereto as **Exhibit 1**.

[4] The Escrow Instructions are attached hereto as **Exhibit 2**.

and taken into account the paramount interest of alleged creditors and, based on all of the foregoing, the Court has determined that the relief requested in the Emergency Motion is fair and equitable, in the best interests of the Parties, and should be approved in all respects; (6) finding that (a) in the absence of the Settlement Agreement, the Defendants face considerable litigation expense, risk, and delay, (b) the disputes between the Settling Parties involve numerous legal and factual issues, and judicial resolution of these disputes will require additional, extensive and costly briefing and discovery, (c) even if the Defendants were successful in litigating against any claims, a judgment obtained may be subject to appeal with no guarantee as to the ultimate outcome, (d) there is no doubt that the Settling Parties' combined legal expenditures during a protracted litigation process would be substantial and further forestall any disbursement of the Princeton Reserve to any of the parties to the Adversary Proceeding, and (e) the Settlement Agreement resolves the Parties' disputes now without the need for additional costly, uncertain litigation; and good and sufficient cause appearing therefor; and having issued an oral bench ruling on the record on September 16, 2022, which is incorporated herein for all purposes,

IT IS HEREBY ORDERED THAT:

1. The Emergency Motion is hereby **GRANTED** as set forth herein.

2. The Settlement Agreement is approved as set forth herein.

3. Notwithstanding anything to the contrary in the *Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1377] (the "Reinstatement Order"), including, but not limited to, paragraph 5(b) thereof, on the Effective Date, the Title Company shall wire (a) the Settlement Amount of $11,372,698.89 from the Princeton Reserve to Princeton and (b) $2,627,301.11 from the Princeton Reserve to the entity or party designated by the Defendants pursuant to this Order and the Escrow Instructions in a form substantially similar to the form attached hereto as **Exhibit**

2. The remainder of the Princeton Reserve, in the amount of $1 million, shall be distributed in accordance with those certain instructions annexed as **Exhibit A**[5] to the Settlement Agreement (the "Indemnity Security Escrow Release Instructions"). For the avoidance of any doubt, this Order shall be deemed a final order for purposes of paragraph 5(b) of the Reinstatement Order.

4. The Escrow Instructions attached hereto as Exhibit 2 are approved by this Court, and the Title Company shall comply with this Order and the Escrow Instructions no later than one (1) business day after receipt of the Escrow Instructions sent to the Title Company by counsel for Princeton. The Escrow Instructions shall be signed digitally by Judith W. Ross, counsel for Princeton. The electronically delivered Escrow Instructions shall be signed digitally on behalf of the Defendants. The electronically delivered Escrow Instructions shall be substantially identical to the Escrow Instructions attached to this Order as **Exhibit 2**. The electronically delivered Escrow Instructions shall include copies of this Order and the Reinstatement Order, entered in the chapter 11 cases, both attached to the Escrow Instructions. If any of the requirements of this Paragraph 4 are not fully satisfied, then the Title Company is directed by this Court to disburse no funds from the Princeton Reserve; *provided*, *however*, that the Indemnity Security Escrow Release Instructions shall not be subject to this Paragraph 4. In the event that all requirements of this Paragraph 4 are fully satisfied, then immediately upon receipt of the Escrow Instructions, the Title Company shall notify counsel for Princeton, the Defendants and the Receiver via email (at email addresses included in the Escrow Instructions) that the Title Company received the Escrow Instructions in compliance with this Paragraph 4, and counsel for Princeton and Defendants shall then immediately provide the Title Company with their respective wire instructions via email in accordance with the Escrow Instructions.

[5] The Indemnity Security Escrow Release Instructions are attached thereto as **Exhibit A** to **Exhibit 1**.

5. Notwithstanding anything in the Reinstatement Order to the contrary, it is hereby ordered that Mr. Natin Paul, any family member of Mr. Natin Paul, any affiliate of Mr. Natin Paul, and any person acting at Mr. Natin Paul's direction, shall not seek removal of or to remove from the Title Company the Remaining Reserves (as defined in the Reinstatement Order) (exclusive of the Princeton Reserve that is to be released pursuant to the term of this Order) until further Order of this Court.

6. Notwithstanding the foregoing, if the Receiver consents to this Paragraph 6 (which such consent shall be memorialized by filing a notice of consent on the docket in the above-captioned chapter 11 cases at any time), the funds reserved for the Receiver Claims may be disbursed upon (1) the filing in this Court of a final, non-appealable order of the Texas state district court in the *Princeton Capital Corporation vs Great Value Storage LLC, et. al.* pending in the 165th District Court of Harris County, Texas, case no. 2019-18855 (the "Princeton Lawsuit") awarding the Receiver fees and expenses pursuant to the Order Appointing Receiver in the Princeton Lawsuit (the "Receiver Award") and (2) a subsequent final, non-appealable Order of this Court directing the Title Company to disburse funds in the amount of the Receiver Award to the Receiver less any amounts that the Receiver has collected that the state court approves the Receiver to apply to his total fees and expenses in connection with the Princeton Lawsuit. The Reinstatement Order shall remain in full force and affect except as modified herein.

7. Notwithstanding anything to the contrary in the Settlement Agreement, WCCG and GVS shall not be parties to the Settlement Agreement for all purposes, including the release provisions set forth in Paragraphs 6 and 7 thereof. For the avoidance of any doubt, this Paragraph 7 shall not affect or otherwise modify the indemnification provisions as set forth in the Settlement Agreement and Princeton shall be indemnified under the Settlement Agreement if they are sued

by the Receiver acting as WCCG or GVS.

8. This Order does not herein address the enforceability of any release given by a non-Debtor party. To the extent any entity lacks the authority to give a release due to the fact that it is in receivership, in bankruptcy or for any other reason, all parties' rights are reserved in any subsequent enforcement litigation to argue same.

9. This Order shall have no effect on existing litigation or claims filed by the Receiver in this Court. Such litigation shall not be stayed or modified in any way by virtue of this Order unless and until such receivership is terminated or modified by a court of competent jurisdiction or the parties otherwise agree to stay any such litigation. This Order does not act to terminate or modify the Receiver's rights and duties under the Receivership Order. Furthermore, the $3.5 million reserve for the Receiver Claims as defined in this Court's Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors (Dkt. No. 1377) shall remain in place pending further Order of the Court.

10. Except as it may pertain to disputes regarding this Order which the Court retains jurisdiction to consider, this Order shall have no effect on existing claims, litigation or appeals between and among the Receiver and any non-Debtor party outside of this Court. Such litigation shall not be stayed, modified, or otherwise affected in any way by virtue of this Order.

11. Notice of the Emergency Motion as provided therein shall be deemed good and sufficient notice of such Emergency Motion under the circumstances and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

12. Notwithstanding the applicability of any Bankruptcy Rules, the terms and conditions of this Order shall not be stayed and shall be immediately effective and enforceable upon its entry.

13. Except as may be expressly contrary to the relief afforded herein, the Defendants are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

14. This Court shall retain jurisdiction over all matters arising from or related to the interpretation or implementation of this Order.

 # # # END OF ORDER # # #

Exhibit 1

Settlement Agreement

This is the Parties' September 20, 2022 Amended Settlement Agreement. Highlights by Receiver.

EXECUTION VERSION

AMENDED AND RESTATED SETTLEMENT, ASSIGNMENT AND ACCEPTANCE AGREEMENT

This AMENDED AND RESTATED SETTLEMENT, ASSIGNMENT AND ACCEPTANCE AGREEMENT (the "Agreement") is made as of this 15th day of September 2022 (the "Execution Date"), by and between (i) Natin Paul, (ii) the Reorganized Debtors (as defined below), (iii) World Class Holdings I, LLC ("WCH") (iv) the Adversary Defendants (as defined below), (v) Princeton Capital Corporation ("Princeton" or "Assignor"), and (vi) Phoenix Lending, LLC (the "Assignee"). Natin Paul, the Reorganized Debtors, WCH and the Adversary Defendants are referred to collectively as the "Great Value Parties"), The Great Value Parties and Princeton are referred to collectively as the "Settlement Parties" and the Assignor and the Assignee are referred to collectively as the "Assignment Parties," together with the Settlement Parties, the "Parties."

RECITALS

WHEREAS, Capital Point Partners II, L.P. ("CPP"), a predecessor-in-interest to the Assignor, Great Value Storage, LLC ("Great Value"), and World Class Capital Group, LLC ("WCCG") are parties to that certain Note Purchase Agreement, dated July 31, 2012, as amended from time to time (so amended, the "Note Purchase Agreement");

WHEREAS, pursuant to the Note Purchase Agreement, Great Value issued to CPP (a) that certain Senior Secured Promissory Note, dated July 31, 2012 ("Note A") in the principal amount of $2,000,000, (b) that certain Senior Secured Promissory Note, dated July 31, 2012 ("Note B") in the principal amount of $500,000 and (c) that certain Senior Secured Promissory Note, dated November 12, 2014 ("Note C" and together with Note A and Note B, the "Notes") in the principal amount of $3,100,000. The Note Purchase Agreement, the Notes and each other document, agreement, instrument or certificate executed in connection therewith or pursuant thereto are hereinafter referred to as the "Transaction Documents."

WHEREAS, pursuant to that certain Assignment and Acceptance Agreement, dated March 13, 2015, CPP assigned all of its rights to and obligations under the Transaction Documents to Princeton.

WHEREAS, Princeton asserted a default under the Transaction Documents and on March 14, 2019, commenced an action styled as *Princeton Capital Corporation vs Great Value Storage LLC, et al.* pending in the 165th District Court of Harris County, Texas (the "Texas District Court"), Case No. 2019-18855 (the "State Action").

WHEREAS, the defendants in the State Action are Great Value and WCCG (the "State Defendants"), along with Natin Paul in his individual capacity;

WHEREAS, Princeton alleged causes of action against the State Defendants in the State Action for, among other things, breach of the Notes (the "State Claims");

WHEREAS, on March 4, 2021, the Texas District Court ordered that Great Value and World Class were liable to Assignor for contract damages of $9,759,713.84 and attorneys' fees of $150,887.50 (the "Judgment").

WHEREAS, certain of the parties against whom the Judgment was entered have appealed the Judgment.

WHEREAS, after the entry of the Judgment, Princeton obtained the appointment of Seth Kretzer, as receiver for GVS and WCCG (the "Receiver"); however, as of the Execution Date, the Receiver has made no distribution to Princeton on account of the Judgment.

WHEREAS, on June 17, 2021 and June 23, 2021, GVS Texas Holdings I, LLC and certain of its affiliates (collectively, the "Reorganized Debtors")[1] each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court");

WHEREAS, the Reorganized Debtors' bankruptcy cases are being jointly administered under Case No. 21-31121-MVL (the "Bankruptcy Cases");

WHEREAS, in connection with the Promissory Notes and the Judgment, Princeton filed the following proofs of claim in the Bankruptcy Cases: (i) Claim No. 119-8 filed against GVS Portfolio I B, LLC; (ii) Claim No. 120-4 filed against GVS Portfolio I, LLC; (iii) Claim No. 121-78 filed against GVS Texas Holdings I, LLC; (iv) Claim No. 122-32 filed against GVS Texas Holdings II, LLC; (v) Claim No. 123-12 filed against GVS Ohio Holdings I, LLC; (vi) Claim No. 124-10 filed against GVS Ohio Holdings II, LLC; (vii) Claim No. 125-10 filed against WCH Mississippi Storage Portfolio I, LLC; (viii) Claim No. 126-6 filed against GVS Nevada Holdings I, LLC; (ix) Claim No. 127-7 filed against GVS Missouri Holdings I, LLC; (x) Claim No. 128-9 filed against New York Holdings I, LLC; (xi) Claim No. 129-8 filed against GVS Indiana Holdings I, LLC; (xii) Claim No. 130-7 filed against GVS Illinois Holdings I, LLC; (xiii) Claim No. 131-13 filed against GVS Tennessee Holdings I, LLC; (xix) Claim No. 132-7 filed against GVS Colorado Holdings I, LLC; and (xx) Claim No. 164-2 filed against GVS Portfolio I C, LLC (collectively, the "Princeton Proofs of Claim");

WHEREAS, WCH and the Reorganized Debtors each filed objections to the Princeton Proofs of Claim in the Bankruptcy Cases (collectively the "Claim Objections");

WHEREAS, on April 27, 2022, Princeton commenced an adversary proceeding in the Bankruptcy Court captioned *Princeton Capital Corporation v. GVS Texas Holdings I, LLC, et al*, Adv. Proceeding No. 22-03043 (the "Adversary Proceeding") alleging causes of action against the

[1] The Reorganized Debtors in the chapter 11 cases are: GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; and GVS Colorado Holdings I, LLC.

Adversary Defendants[2] (defined below) for, among other things, fraudulent transfer and breach of contract, (together with all causes of action in the Adversary Proceeding, the "AP Claims");

WHEREAS, certain of the Adversary Defendants have moved to dismiss the Complaint filed by Princeton that commenced the Adversary Proceeding due to, *inter alia*, the failure to state a claim upon which relief can be granted and the lack of jurisdiction of the Bankruptcy Court over the matter;

WHEREAS, recognizing the dispute between Princeton, the Reorganized Debtors and the other Adversary Defendants, pursuant to the *Stipulation and Agreed Order with World Class Holdings I, LLC* [Docket No. 873-B] filed in the Bankruptcy Cases, the Reorganized Debtors established a $15 million reserve for Princeton's outstanding claims (the "Princeton Reserve"), which is held in trust by Fidelity National Title (the "Title Company") pursuant to an escrow agreement and an Order of the Bankruptcy Court that does not permit disbursement of the Princeton Reserve absent a final, non-appealable order of the Bankruptcy Court or another court of competent jurisdiction;

WHEREAS, on August 22, 2022, Princeton and the Great Value Parties executed that certain settlement term sheet providing for the resolution of claims and issues between such parties and separately contemplated the negotiation and execution of a note purchase agreement in furtherance of that resolution. The terms and conditions in this Agreement are the culmination of the negotiations over such note purchase agreement and is new and separate from the settlement agreement discussed in the term sheet;

WHEREAS, the Parties have agreed to resolve, settle, and compromise all claims, demands, and differences between them, including, but not limited to, relating to the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, and the Claim Objections pursuant to the terms of this Agreement.

WHEREAS, as part of the resolution of the claims set forth in this Agreement, Princeton wishes to assign all of its rights to and obligations under the Transaction Documents and the Judgment to the Assignee on the terms and subject to the conditions set forth herein and the

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[2] The defendants in the Adversary Proceeding are GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; GVS Colorado Holdings I, LLC; World Class Capital Group, LLC; Great Value Storage, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC; WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; WC Kansas City Storage GP, LLP; and John Does (collectively, the "Adversary Defendants").

Assignee wishes to accept assignment of such rights and to assume such obligations from the Assignor on such terms and subject to such conditions.

NOW THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the Parties agree as follows:

1. **Note and Judgment Assignment and Acceptance**.

a. Agreement of Assignor and Assignee.

i. Upon the receipt by Assignor of the Settlement Payment in good funds, the Assignor hereby sells, transfers, conveys and assigns to the Assignee, and the Assignee hereby purchases, accepts, assumes, and undertakes from the Assignor all right and title to all rights, benefits, obligations, liabilities, and indemnities of the Assignor under and in connection with the (i) the Note Purchase Agreement, (ii) the Notes and (iii) the Judgment.

ii. Upon the receipt by Assignor of the Settlement Payment in good funds, the Assignor hereby sells, transfers, conveys and assigns to the Assignee and the Assignee hereby accepts, assumes, and undertakes from the Assignor (i) all right and title to all rights, benefits, obligations, liabilities, and indemnities of the Assignor under and in connection with the other Transaction Documents and the Judgment, and (ii) except to the extent released pursuant to the provisions of this Agreement, all claims, suits, causes of action, and any other right of the Assignor against any person, whether known or unknown, arising under or in connection with any or each of the Transaction Documents, including, but not limited to, the Judgment and any and all contract claims, commercial tort claims, malpractice claims, statutory claims, and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above. For the avoidance of doubt, the parties hereto acknowledge and agree that the Assignor's right and title to all rights and benefits under the Final Judgment Order signed by Judge Ursula Hall on March 4, 2021 in *Princeton Capital Corporation v. Great Value Storage, LLC, World Class Capital Group, LLC and Natin Paul* are included in item (ii) of the foregoing.

iii. With effect on and after the Effective Date (as defined below), the Assignee shall be party to the Transaction Documents and succeed to all of the rights and be obligated to perform all of the obligations of the Assignor under the Transaction Documents and the Judgment. The Assignee agrees that on and after the Effective Date it will perform all obligations which by the terms of the

Transaction Documents are required to be performed by it thereunder.

b. Representations, Warranties and Covenants of Assignee and Assignor.

i. The Assignor represents, warrants and covenants as of the Execution Date and the date when this Agreement becomes effective pursuant to section 3 herein (the "Effective Date") that:

(a) it is the legal and beneficial owners of the interests being assigned by the Assignor hereunder and that such interests are free and clear of any lien or other adverse claim;

(b) it is duly organized and existing and it has the full power and authority to take, and have taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by the Assignor in connection with this Agreement and to fulfill its obligations hereunder;

(c) no notices to, or consents, authorizations, or approvals of, any person are required (other than any already given or obtained and still in full force and effect) for its due execution, delivery, and performance of this Agreement, and apart from any agreements or undertakings or filings required by the Transaction Documents, no further action by, or notice to, or filing with, any person is required for such execution, delivery, or performance;

(d) this Agreement has been duly executed and delivered by the Assignor and constitutes the legal, valid, and binding obligation of the Assignor, enforceable against the Assignor in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization, and other laws of general application relating to or affecting creditors' rights and to general equitable principles;

(e) the Assignor has received no distributions or payments in satisfaction of the Judgment from the Receiver, is not a party to or beneficiary of any agreements made with or by the Receiver and, after the Execution Date and the Assignor shall not accept any distributions or payments in satisfaction of the Judgment or make any other agreements with the Receiver in satisfaction of the Judgment or in relation to any fees or expenses that may be determined payable to the Receiver, unless otherwise agreed to by the Parties;

(f) unless compelled to do so by a court of competent jurisdiction, the Assignor agrees it will make no statement regarding (i) any motion by the Assignee to terminate the receivership or (ii) the amount of fees to be awarded to the Receiver;

(g) the Assignor shall not take or support any action adverse to the World Class Release Parties in the Bankruptcy Court or any other court related to this Agreement, the Judgment or the settlement of disputes between the Settlement Parties unless such action relates to the enforcement of this Agreement including any provision hereof; and

(h) the Assignor makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition, or statements of any party to the Notes, or the performance or observance by any party to the Notes of any of its obligations under the Transaction Documents or any other instrument or document furnished in connection therewith.

ii. The Assignee represents, warrants and covenants as of the Execution Date and the Effective Date that:

(a) it is duly organized and existing and has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder;

(b) no notices to, or consents, authorizations, or approvals of, any person are required (other than any already given or obtained and still in full force and effect) for its due execution, delivery, and performance of this Agreement; and apart from any agreements or undertakings or filings required by the Transaction Documents, no further action by, or notice to, or filing with, any person is required of them for such execution, delivery, or performance;

(c) this Agreement has been duly executed and delivered by the Assignee and constitutes the legal, valid, and binding obligation of the Assignee, enforceable against the Assignee in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium,

reorganization, and other laws of general application relating to or affecting creditors' rights and to general equitable principles;

(d) the Assignee has been advised that none of the Notes have been registered under the Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available;

(e) the Assignee is aware that the Assignor is under no obligation to effect any such registration with respect to the Notes or to file for or comply with any exemption from registration;

(f) the Assignee is receiving the Notes from the Assignor for its own account and not with a view to, or for resale in connection with, the distribution thereof in violation of the Securities Act; and

(g) the Assignee has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of an investment in the Notes, is able to incur a complete loss of such investment in the Notes and to bear the economic risk of such investment for an indefinite period of time.

c. Subject to the indemnification provisions in section 1.e, Assignee does not assume any liability or responsibility for any action taken by Assignor in connection with the Notes, the Transaction Documents or the Judgment taken prior to the Effective Date, with all such liabilities and responsibilities remaining with the Assignor.

d. The Assignor and the Assignee hereby agree to promptly execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Agreement, which may be required in connection with this Agreement under the Transaction Documents.

e. Assignee and the Reorganized Debtors hereby indemnify and hold Assignor harmless from any and all of the following, which only arise out of the assignment of the Note and assignment of the Judgment as set forth in section 1 hereof: (i) all claims, liabilities, damages, judgments, fines and penalties asserted by the Receiver or Great Value Parties, including the Adversary Defendants, including any litigation by the Receiver acting as WCCG or Great Value Storage ("Losses") that are determined by entry of a final, non-appealable order by the Bankruptcy Court or a court of competent jurisdiction to be Losses, except to the extent the same shall have

been finally adjudicated in a court of competent jurisdiction to have been directly caused by Assignor's gross negligence, fraud or willful misconduct; and (ii) reasonable expenses, including out-of-pocket, incidental expenses and reasonable legal fees and expenses incurred in connection with Losses ("Expenses" and together with the Losses, the "Indemnification Obligation"). The Indemnification Obligation shall be secured by $1 million dollars of the funds retained in the Princeton Reserve after payment of the Settlement Amount to Princeton, as contemplated by this Agreement (the "Indemnification Security").[3] The Indemnification Security shall be held by the Title Company and shall be disbursed either (i) upon submission thereto of joint written instructions executed by Princeton and the Great Value Parties, a form of which is attached hereto as Exhibit A or (ii) submission to the Title Company of a final, non-appealable order of the Bankruptcy Court authorizing and directing payment of all or portions of the Indemnification Obligation. Notwithstanding anything to the contrary in this section 1.e, the Indemnification Obligation shall not be applicable or enforceable against the Assignee or any Great Value Party to the extent any of the Indemnification Obligation is incurred as a result of the consent, acquiescence or other affirmative action of the Assignor. Notwithstanding anything to the contrary in this section 1.e, Princeton may periodically seek payment on account of an Expenses by filing a request for such payment to the Bankruptcy Court; *provided, however*, Assignor and the Great Value Parties reserve all rights with respect to any such request. For the avoidance of any doubt, the Receiver cannot assert any benefits under nor seek to obtain any benefits from this section 1.e.

f. Assignor will be provided copies of all statements prepared by the Title Company when generated by the Title Company.

2. **Settlement Payment**. As consideration for the sale, assignment and transfer of the Notes and the Judgment and the in exchange for the dismissal of the actions described in section 4 and the releases described in sections 6 and 7 of this Agreement, upon the Effective Date, Assignee shall pay, or cause to be paid, to Princeton the amount of $11,372,698.89 (the "Settlement Amount") from funds currently held in the Princeton Reserve. Within three (3) business after the Effective Date, the Title Company shall effectuate the Escrow Instructions and the date upon which the Title Company remits payment to Princeton shall be the "Payment Date."

3. **Settlement Effective Date**. This Agreement shall become effective on the first day upon which all of the following conditions have been satisfied (the "Effective Date"):

a. the execution of this Agreement by all Parties;

b. the filing of a motion, mutually acceptable to the Parties, seeking the approval of this Agreement and directing the Title Company to release the Settlement Amount from the Princeton Reserve (the "Settlement Motion")

[3] For the avoidance of doubt, should a court of competent jurisdiction find that entry into this Agreement shall be deemed to be gross negligence, fraud or willful misconduct against the Receiver, no exclusion for such gross negligence, fraud or willful misconduct shall be applicable.

c. The entry of a final, non-appealable Order[4] by the Bankruptcy Court, mutually acceptable to the Parties, approving the Motion (including, without limitation the provisions contained in paragraph 5 of the order attached as Exhibit B) and Escrow Instructions, a form of which is attached hereto as Exhibit B (the "Settlement Order");

d. Princeton and the Reorganized Debtors have delivered to the Title Company the Settlement Order and the Escrow Instructions, a copy of which is attached hereto as Exhibit C; along with Escrow Instructions to the Title Company, which will leave the Indemnity Security Escrow on deposit with the Title Company; and

e. Delivery to Title Company of the documents and evidence set forth in section 4 hereof.

f. Any of the foregoing provisions set forth in sections 3.a, 3.b, 3.c, 3.d, 3.e hereof may be waived upon the mutual written agreement of the Parties.

4. **Conditions Precedent to Effective Date**.

a. Unless otherwise agreed to by the Parties in writing, on or before September 9, 2022, Princeton shall deliver to the Title Company:

i. duly endorsed promissory notes (or lost note affidavits) as applicable, and other Transaction Documents (including official correspondence and further documents delivered pursuant to the terms of the Transaction Documents), the transactions related thereto and the Judgment, along with information showing calculation of the Judgment, but only insofar as any of such information is available to Princeton;

ii. notices of dismissal with prejudice in the Adversary Proceeding substantially in the form attached hereto as Exhibit D, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date;

iii. notices of the assignment of the Notes and Judgment and substitutions of parties in any and all actions pending in any court (including actions against Natin Paul in his individual capacity) as such relate to the enforcement of the Notes or collection of the Judgment, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date, the form of which is attached hereto as Exhibit E; and

iv. notices withdrawing the Princeton Proofs of Claim with prejudice which the Great Value Parties or the Assignee, as applicable, may

[4] For the avoidance of doubt, no Party hereto will appeal the Settlement Order so long as this Agreement is approved by the Bankruptcy Court as drafted and executed.

file after the Effective Date, the form of which is attached hereto as Exhibit F.

b. The Title Company shall provide notice to the Parties of its receipt of the items set forth in section 4.a hereof.

5. **Further Assurances**. In addition to the requirements of section 1.d hereof, the Parties shall cooperate reasonably with each other and with the other's respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information reasonably requested by the Assignee from time to time for the purposes of enforcing its rights under the Transaction Documents and the Judgment; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as any other Party may reasonably request for the purpose of carrying out the transactions contemplated by this Agreement, including but not limited to, with respect to the Escrow Instructions. The Parties shall cooperate with each other as necessary to obtain all consents and authorizations of third-parties, if any, to make all filings with and give all notices to third-parties which may be necessary or reasonably required in order to carry out the intent of this Agreement and the transactions contemplated hereby.

6. **Release by the Great Value Parties**. Effective upon the Payment Date, except as provided in Paragraph 8 or herein, Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls (in whole or in part), the Great Value Parties, and all of their respective officers, directors, members, managers, employees, insurers, advisory board members, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (the "World Class Release Parties") hereby forever release Princeton, and each of its officers, directors, owners, members, managers, shareholders, subsidiaries, investment funds employees, insurers, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (the "Princeton Released Parties") from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in law or equity, whether known or unknown, liquidated or unliquidated, which the World Class Releasee Parties ever had, now have or hereafter can, shall or may have against any of the Princeton Released Parties for any matter, cause, thing, or reason whatsoever as of the Effective Date, including but not limited to, for or arising out of, or related to, the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, the Claim Objections, and other actual or potential claims that were or could have been asserted in the State Action, Adversary Proceeding, or the Princeton Proofs of Claim*; provided, however*, the foregoing release shall not (i) apply to any claim or cause of action against any third-party, including the Receiver (excluding the Princeton Released Parties) seeking damages or the return or recovery of monies, properties or assets otherwise taken, seized, transferred, conveyed or otherwise removed from such party's possession or control in connection with the efforts of any party to collect the Judgment on behalf of Princeton or (ii) result in the dismissal of any pending action or appeal of any action in which Princeton is a named party related to the Judgment (the "Appeal Actions"); *provided, further, however,* the World Class Release Parties shall not and shall be prohibited and enjoined from seeking any recovery (monetary or otherwise) from Princeton in connection with an Appeal Action.

7. **Release by Princeton**. Effective upon the Payment Date, except as provided in Paragraph 8, Princeton on behalf of itself and on behalf of each of the Princeton Released Parties, each hereby forever release and discharge Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls (in whole or in part), the Great Value Parties, the Adversary Defendants and their respective officers, directors, members, managers, employees, insurers, advisory board members, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (collectively, the "World Class Released Parties") from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in law or equity, whether known or unknown, liquidated or unliquidated, which the Princeton Released Parties ever had, now have or hereafter can, shall or may have against any of the World Class Released Parties for any matter, cause, thing, or reason whatsoever as of the Effective Date, including but not limited to, for or arising out of, or related to, the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, the Claim Objections, and other actual or potential claims that were or could have been asserted in the State Action, Adversary Proceeding, or the Princeton Proofs of Claim save and except for the Indemnification Obligation.

8. **Exceptions to Releases**. Notwithstanding any language to the contrary in sections 6, and 7 hereof, or any other provision of this Agreement, the Parties agree and acknowledge that this Agreement and the releases provided herein does not release or waive: (a) any obligation of a Party arising under or created by this Agreement; (b) the Indemnification Obligation; or (c) any present or future claim, appeal or litigation by the Great Value Parties against the Receiver or its agents, attorney, or representatives.

9. **Fees and Costs**. Each Party and Assignment Party shall bear its own fees and costs in connection with the Adversary Proceeding, the Settlement Motion and this Agreement. For the avoidance of doubt there shall be no other cost and expenses due to Princeton whatsoever other than the Settlement Amount, except any amounts that may be due under the Indemnification Obligation.

10. **Consultation with Counsel**. Each of the Parties has freely and voluntarily entered into this Agreement after an adequate opportunity and sufficient period of time to review, analyze and discuss all terms and conditions of this Agreement and all factual and legal matters relevant hereto with its counsel. Each of the Parties further acknowledges that it has actively and with full understanding participated in the negotiation of this Agreement and that this Agreement has been negotiated, prepared and executed without fraud, duress, undue influence or coercion of any kind or nature whatsoever having been exerted by or imposed upon any party to this Agreement.

11. **No Assignment**. No Party has assigned any of its claims, rights, and/or remedies arising under or relating in any way to the litigation being resolved hereby or associated property to any third party.

12. **No Admission of Wrongdoing**. This Agreement constitutes a compromise of disputes between the Parties. Nothing contained herein shall constitute or be deemed to be an admission by any Party as to any matter unless specifically stated herein. Nothing in this

Agreement, nor any of the negotiations or proceedings connected with the Agreement, nor any of the documents or statements contained or referred to therein shall be offered or received against any Party in any litigation as evidence of, or be construed as or be deemed to be evidence of, any concession or admission by any Party with respect to the truth of any fact alleged by any Party against the other or the validity of any claim or defense that has been or could have been asserted in any proceeding or litigation involving the Parties.

13. **Time is of the Essence.** Time is of the essence for all dates and/or time described in this this Agreement.

14. **Remedies**. The Parties agree that irreparable damage would occur in the event of a breach of any provision of this Agreement that would result in the failure of the Effective Date and Payment Date to occur and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the Parties acknowledge and agree that in the event of any breach or threatened breach of the covenants, agreements and obligations set forth in this Agreement, each Party shall be entitled to any injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under this Agreement (including those conditions precedent set forth in section 4 hereof), in addition to any other remedy to which such party is entitled at law or in equity. Each Party hereby agrees not to raise any objections to the availability of specific performance to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under this Agreement. Each Party hereby waives (i) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate and (ii) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.

15. **Miscellaneous**.

a. Each of the Parties acknowledges, represents, and agrees that no promise, inducement or consideration has been offered or promised to any Party except as expressly set forth herein.

b. This Agreement is executed without reliance upon any statement or representation by any other Party or other Party's attorneys or representatives concerning the nature and extent of any claims and/or damages or legal liability therefor.

c. No failure or delay by any party hereto in exercising any right, power, or privilege hereunder or under that settlement term sheet dated August 22, 2022 (the "Settlement Term Sheet") shall operate as a waiver thereof, with all such rights, powers or privileges being expressly preserved, and any waiver of any breach of the provisions of this Agreement shall be without prejudice to any rights with respect to any other or further breach thereof or under the Settlement Term Sheet, which shall remain in force and effect.

d. All payments made hereunder shall be made without any set-off or counterclaim.

e. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of this Agreement by telefacsimile, electronic mail, or by any other electronic form of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Signatures exchanged by email or facsimile transmission shall be deemed original signatures for all purposes and shall indicate and evidence such Party's final and fully-enforceable agreement to the terms of this Agreement.

f. This Agreement constitutes the final and fully-integrated agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral and written statements, understandings, and agreements between them or their counsel regarding the subject matter hereof. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

Savings Clause.

g. This Agreement shall be governed by the laws of the State of Texas without regard to any choice of law analysis that might call for application of some different law. The Parties each irrevocably submits to the non-exclusive jurisdiction and venue of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division over any suit, action, or proceeding arising out of or relating to any dispute and irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such court. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

h. This Agreement may not be modified except in a writing signed by each of the Parties and no Party shall be entitled to rely on any other manner of attempted modification, which shall be void (and not merely voidable).

i. No Party has assigned or purported to assign any claim that otherwise would be released or discharged by this Agreement.

j. The captions of Sections herein are intended for convenience only and shall not be used in any way to interpret the contents of such Section.

k. In the event of any dispute between the parties arising out of, under, or in connection with this Agreement, the Transaction Documents, any related documents and agreements, or any course of conduct, course of dealing, or statements (whether oral or written) (collectively, the "Disputes"), the prevailing party shall be entitled to recover all of its reasonable costs and attorneys' fees incurred in such dispute, in addition to all other sums that it may be entitled.

l. This Agreement is enforceable regardless of whether or not the Appeal Actions are decided in favor of any or all of the Great Value Parties.

m. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON ANY DISPUTE.

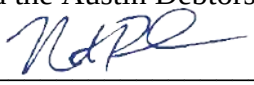
16. **Authority**. Each Party and each signatory below represents that the signatory has all necessary authority to enter into the terms of this Agreement on behalf of the Party for which she or he is signing and to bind that Party to the terms of this Agreement. The Parties acknowledge that the other Party is specifically relying on these representations in entering into this Agreement and that the Parties' respective signatories have apparent and inherent authority to bind the Parties to the terms of this Agreement.

[Signature Pages to Follow]

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

NATIN PAUL, ON BEHALF OF ALL ENTITIES THAT HE EITHER OWNS OR CONTROL (IN WHOLE OR IN PART) FOR WHOM HE HAS ACTUAL AUTHORITY and specifically excluding, without limitation, WCCG, GVS and the Austin Debtors[5]



Name: Natin Paul
Title: Authorized Representative
Date: September 19, 2022

[5] "Austin Debtors" means the debtors in In re WC South Congress Square LLC, Case No. 20-11107-TMD; In re WC 3rd and Trinity, LP, Case No. 21-10252-TMD; In re WC 511 Barton Blvd, LLC, Case No. 21-10943-TMD; In re WC Met Center, LLC, Case No. 21-10698-TMD; In re WC 717 N Harwood Property LLC, Case No. 21-10630-TMD; In re 6th and San Jacinto, LLC, Case No. 21-10942-TMD; In re WC Braker Portfolio, LLC, Case No. 22-10293-TMD; In re Arboretum Crossing LLC, Case No. 21-10546-TMD; In re WC Manhattan Place Property, LLC, Case No. 22-10047-TMD; In re WC Alamo Industrial Center, LP, Case No. 22-10026-TMD; and In re WC Culebra Crossing SA, LP, Case No. 21-10360-TMD, all pending in the United States Bankruptcy Court for the Western District of Texas, Austin Division (J. Davis, presiding).

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

NATIN PAUL

_____

Name: Natin Paul
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

SHEENA PAUL

_____

Name: Sheena Paul
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

BARBARA LEE

Barbara Lee

Name: Barbara Lee
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

JASON ROGERS

Name: Jason Rogers
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC OHIO STORAGE PORTFOLIO I, LP

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC TEXAS STORAGE PORTFOLIO I, LP

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC TEXAS STORAGE PORTFOLIO II, GP, LLC

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC MEMPHIS STORAGE II, LP

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

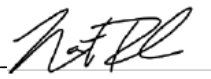
WC OHIO STORAGE PORTFOLIO I GP, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC OHIO STORAGE PORTFOLIO II TIC, LLC



Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC OHIO STORAGE PORTFOLIO II EQUITY, LLC

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

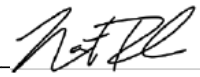
WC TEXAS STORAGE PORTFOLIO III MM, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC MISSISSIPPI STORAGE PORTFOLIO I MM, LLC



Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC ILLINOIS STORAGE PORTFOLIO I, LLC

_____ _____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC ILLINOIS STORAGE PORTFOLIO TIC, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC 4641 PRODUCTION MM, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC NEW YORK STORAGE PORTFOLIO I, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC 4641 PRODUCTION, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC TSPIGP, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC TEXAS STORAGE PORTFOLIO II, LP

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC TEXAS STORAGE PORTFOLIO III PROPERTY, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC TEXAS STORAGE PORTFOLIO III, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC SAN BENITO STORAGE, LP

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

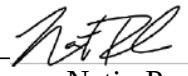
WC SAN BENITO GP, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC MEMPHIS STORAGE GP, LLC



Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC MEMPHIS STORAGE II GP, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC LAS VEGAS STORAGE, LP

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC KANSAS CITY STORAGE, LP

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC LAS VEGAS STORAGE GP, LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WORLD CLASS REAL ESTATE LLC

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC MEMPHIS STORAGE, LP

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC 7116 S IH 35, L.P.

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC 10013 RR 620 N, LP

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC 13825 FM 306, L.P.

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

WC KANSAS CITY STORAGE, LLP

_____

Name: Natin Paul
Title: Authorized Representative
Date: September 15, 2022

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the date indicated.

NATIN PAUL, ON BEHALF OF THE REORGANIZED DEBTORS

_____

Name: Natin Paul
Title: Manager
Date: September 15, 2022

IN WITNESS WHEREOF, the Party hereunto has signed their name on the date indicated.

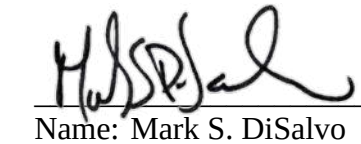
WORLD CLASS HOLDINGS I, LLC

_____

Name: Natin Paul
Title: Manager
Date: September 15, 2022

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the date indicated.

PRINCETON CAPITAL CORPORATION ON BEHALF OF ITSELF AND THE PRINCETON RELEASED PARTIES



Name: Mark S. DiSalvo
Title: Chief Executive Officer
Date: September 15, 2022

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

PHOENIX LENDING, LLC

Name: Mickey Altman
Title: Vice President
Date: September 15, 2022

Exhibit A

Form of Indemnity Security Escrow Release Instructions

ROSS & SMITH, PC
Complex Bankruptcy, Corporate and Mediation

_____, 2022

VIA HAND DELIVERY

Fidelity National Title Insurance Company
Attn: Larry Boes
485 Lexington Ave., 18th Floor
New York, New York 10017
Larry.Boes@fnf.com

Re: Title No. 58349 (In re Great Value Storage) – Indemnity Security Escrow Release Instructions Regarding Indemnification Security

Mr. Boes:

As you are aware, Ross & Smith, PC ("R&S") is counsel for Princeton Capital Corporation ("Princeton") and Squire Patton Boggs (US) LLP ("Squire") is counsel for World Class Holdings I, LLC ("WCH"), 36 non-debtor defendants (collectively, but excluding World Class Capital Group LLC and Great Value Storage, LLC, while under Receivership, the "Non-Debtor Defendants") in the closed-case styled *Princeton Capital Corporation v. GVS Texas Holdings I, LLC, et al.*, Adv. Case No. 22-03043 (Bankr. N.D. Tex. 2022) (the "Princeton Proceeding"), and the fifteen reorganized debtors (collectively, the "Reorganized Debtors" and together with WCH and the Non-Debtor Defendants, the "World Class Entities") in chapter 11 bankruptcy proceedings in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"), which cases are pending as *In re GVS Texas Holdings I, LLC, et al.,* main Case No. 21-31121-MVL (Bankr. N.D. Tex. 2021) (the "Bankruptcy Cases").

Pursuant to Paragraph 3 of the *Order Granting Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise between Princeton Capital Corporation and the Reorganized Debtors* [AP Docket No.__] (the "Settlement Order") entered in the Princeton Proceeding, and Paragraph 5(b) of the *Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1377] (the "Reinstatement Order") entered in the Bankruptcy Cases, Fidelity National Title Insurance Company (the "Title Company") must disburse the $1 million dollars being held by the Title Company (the "Indemnification Security") in accordance with the instructions contained in this letter (the "Indemnity Security Escrow Release Instructions"), a substantially identical copy of which is attached as Exhibit A to that certain Settlement, Assignment and Acceptance Agreement, which is Exhibit 1 of the Settlement Order.

The Indemnification Security is in the amount of $1 million dollars that is being held by Fidelity National Title Company.

In addition to being approved by the Bankruptcy Court, the Indemnity Security Escrow Release Instructions have been jointly drafted by counsel for Princeton and the World Class Entities. Lawyers from both R&S and Squire have signed the Indemnity Security Escrow Release Instructions, as directed by the Bankruptcy Court.

As further directed by the Bankruptcy Court via the Settlement Order and Reinstatement Order, and upon entry of a final, non-appeal order determining the allowance of fees and expenses of Seth Kretzer, as receiver, or other final, non-appealable order settling such issue, along with a) proof from the Title Company that the Receiver has been paid the amounts provided by such final non-appealable order, if any, and b) a certification by Princeton that it has been paid all amounts it is owed under paragraph 1(e) of that certain Settlement, Assignment and Acceptance Agreement dated September 2, 2022, the Indemnity Security Escrow Release Instructions hereby direct the Title Company to perform the following:

The Title Company is directed to disburse the Indemnification Security by wire transfer to Horizon Bank (the "1031 Agent"), or such other account as designated by the World Class Entities, from Account No. ******1018 no later than one (1) business day after receiving these Indemnity Security Escrow Release Instructions from counsel for the World Class Entities and Princeton via email.

Immediately upon receipt of these Indemnity Security Escrow Release Instructions, the Title Company shall notify counsel for Princeton, the World Class Entities and Seth Kretzer, the Receiver for World Class Capital Group LLC and Great Value Storage, LLC (c/o Lynnette Warman at lwarman@cm.law) via email that it has received the Indemnity Security Escrow Release Instructions and shall request that the wire instructions be emailed to the Title Company by counsel for the World Class Entities. In response, counsel for the World Class Entities shall then immediately provide the Title Company with the wire instructions in a separate email, without copying counsel for Princeton, along with a phone number that the Title Company shall call to confirm the wire instructions.

Squire will not be confirming the wire transfer instructions by telephone, however, counsel of record in the Bankruptcy Court for the World Class Entities, Jeffrey N. Rothleder, is available to confirm the authenticity of this correspondence by telephone at (202-457-6462). I am counsel of record in the Bankruptcy Court for Princeton and am available to confirm the authenticity of this correspondence by telephone at (214-377-8659).

Sincerely,

/s/ DRAFT
Judith W. Ross
Partner, Ross & Smith, PC
Counsel for Princeton Capital Corporation

/s/ DRAFT
Jeffrey N. Rothleder
Partner, Squire Patton Boggs (US) LLP
Counsel for the World Class Entities

Exhibit B

Form of Settlement Order

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

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

ORDER GRANTING EMERGENCY MOTION PURSUANT TO BANKRUPTCY RULE 9019 FOR ENTRY OF AN ORDER APPROVING A SETTLEMENT AND COMPROMISE BETWEEN PRINCETON CAPITAL CORPORATION AND THE REORGANIZED DEBTORS

Upon consideration of the *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and*

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

the Reorganized Debtors (the "Emergency Motion")[2] requesting that the Court approve the Settlement Agreement[3] pursuant to Bankruptcy Rule 9019 and the related Escrow Instructions[4] to the Title Company, the Court (1) having considered the Emergency Motion and the objections filed by Seth Kretzer, Receiver (the "Receiver") for World Class Capital Group LLC ("WCCG") and Great Value Storage, LLC ("GVS"); (2) finding that (a) notice of the Emergency Motion was good and sufficient upon the particular circumstances and that no other or further notice need be given, (b) the Emergency Motion is a core proceeding under 28 U.S.C. § 157(b), (c) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and (d) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (3) finding that the Movants demonstrated both (a) good, sufficient, and sound business purposes and justifications for the Settlement Agreement and the transactions, compromises, and releases provided therein, and (b) compelling circumstances for approval of the Settlement Agreement pursuant to Bankruptcy Rule 9019; (4) finding that the terms of the Settlement Agreement are fair and reasonable, falling above the lowest point in the range of reasonableness, and are in the best interests of the Settling Parties and the Reorganized Debtors' stakeholders as a whole; (5) having weighed the probability of success in litigation, the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending to it,

---

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Emergency Motion or Settlement Agreement, as applicable. "Movants" means the Reorganized Debtors, the Non-Debtor Defendants and WCH. The "Settling Parties" means Movants and Princeton, but not including any party in receivership (including, without limitation, WCCG and GVS) or in a bankruptcy proceeding (including, without limitation, the debtors in In re WC South Congress Square LLC, Case No. 20-11107-TMD; In re WC 3rd and Trinity, LP, Case No. 21-10252-TMD; In re WC 511 Barton Blvd, LLC, Case No. 21-10943-TMD; In re WC Met Center, LLC, Case No. 21-10698-TMD; In re WC 717 N Harwood Property LLC, Case No. 21-10630-TMD; In re 6th and San Jacinto, LLC, Case No. 21-10942-TMD; In re WC Braker Portfolio, LLC, Case No. 22-10293-TMD; In re Arboretum Crossing LLC, Case No. 21-10546-TMD; In re WC Manhattan Place Property, LLC, Case No. 22-10047-TMD; In re WC Alamo Industrial Center, LP, Case No. 22-10026-TMD; and In re WC Culebra Crossing SA, LP, Case No. 21-10360-TMD, all pending in the United States Bankruptcy Court for the Western District of Texas, Austin Division (J. Davis, presiding).

[3] The Settlement Agreement is attached hereto as **Exhibit 1**.

[4] The Escrow Instructions are attached hereto as **Exhibit 2**.

and taken into account the paramount interest of alleged creditors and, based on all of the foregoing, the Court has determined that the relief requested in the Emergency Motion is fair and equitable, in the best interests of the Parties, and should be approved in all respects; (6) finding that (a) in the absence of the Settlement Agreement, the Defendants face considerable litigation expense, risk, and delay, (b) the disputes between the Settling Parties involve numerous legal and factual issues, and judicial resolution of these disputes will require additional, extensive and costly briefing and discovery, (c) even if the Defendants were successful in litigating against any claims, a judgment obtained may be subject to appeal with no guarantee as to the ultimate outcome, (d) there is no doubt that the Settling Parties' combined legal expenditures during a protracted litigation process would be substantial and further forestall any disbursement of the Princeton Reserve to any of the parties to the Adversary Proceeding, and (e) the Settlement Agreement resolves the Parties' disputes now without the need for additional costly, uncertain litigation; and good and sufficient cause appearing therefor; and having issued an oral bench ruling on the record on September 16, 2022, which is incorporated herein for all purposes,

IT IS HEREBY ORDERED THAT:

1. The Emergency Motion is hereby **GRANTED** as set forth herein.

2. The Settlement Agreement is approved as set forth herein.

3. Notwithstanding anything to the contrary in the *Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1377] (the "Reinstatement Order"), including, but not limited to, paragraph 5(b) thereof, on the Effective Date, the Title Company shall wire (a) the Settlement Amount of $11,372,698.89 from the Princeton Reserve to Princeton and (b) $2,627,301.11 from the Princeton Reserve to the entity or party designated by the Defendants pursuant to this Order and the Escrow Instructions in a form substantially similar to the form attached hereto as **Exhibit**

2. The remainder of the Princeton Reserve, in the amount of $1 million, shall be distributed in accordance with those certain instructions annexed as **Exhibit A**[5] to the Settlement Agreement (the "Indemnity Security Escrow Release Instructions"). For the avoidance of any doubt, this Order shall be deemed a final order for purposes of paragraph 5(b) of the Reinstatement Order.

4. The Escrow Instructions attached hereto as Exhibit 2 are approved by this Court, and the Title Company shall comply with this Order and the Escrow Instructions no later than one (1) business day after receipt of the Escrow Instructions sent to the Title Company by counsel for Princeton. The Escrow Instructions shall be signed digitally by Judith W. Ross, counsel for Princeton. The electronically delivered Escrow Instructions shall be signed digitally on behalf of the Defendants. The electronically delivered Escrow Instructions shall be substantially identical to the Escrow Instructions attached to this Order as **Exhibit 2**. The electronically delivered Escrow Instructions shall include copies of this Order and the Reinstatement Order, entered in the chapter 11 cases, both attached to the Escrow Instructions. If any of the requirements of this Paragraph 4 are not fully satisfied, then the Title Company is directed by this Court to disburse no funds from the Princeton Reserve; *provided*, *however*, that the Indemnity Security Escrow Release Instructions shall not be subject to this Paragraph 4. In the event that all requirements of this Paragraph 4 are fully satisfied, then immediately upon receipt of the Escrow Instructions, the Title Company shall notify counsel for Princeton, the Defendants and the Receiver via email (at email addresses included in the Escrow Instructions) that the Title Company received the Escrow Instructions in compliance with this Paragraph 4, and counsel for Princeton and Defendants shall then immediately provide the Title Company with their respective wire instructions via email in accordance with the Escrow Instructions.

[5] The Indemnity Security Escrow Release Instructions are attached thereto as **Exhibit A** to **Exhibit 1**.

5. Notwithstanding anything in the Reinstatement Order to the contrary, it is hereby ordered that Mr. Natin Paul, any family member of Mr. Natin Paul, any affiliate of Mr. Natin Paul, and any person acting at Mr. Natin Paul's direction, shall not seek removal of or to remove from the Title Company the Remaining Reserves (as defined in the Reinstatement Order) (exclusive of the Princeton Reserve that is to be released pursuant to the term of this Order) until further Order of this Court.

6. Notwithstanding the foregoing, if the Receiver consents to this Paragraph 6 (which such consent shall be memorialized by filing a notice of consent on the docket in the above-captioned chapter 11 cases at any time), the funds reserved for the Receiver Claims may be disbursed upon (1) the filing in this Court of a final, non-appealable order of the Texas state district court in the *Princeton Capital Corporation vs Great Value Storage LLC, et. al.* pending in the 165th District Court of Harris County, Texas, case no. 2019-18855 (the "Princeton Lawsuit") awarding the Receiver fees and expenses pursuant to the Order Appointing Receiver in the Princeton Lawsuit (the "Receiver Award") and (2) a subsequent final, non-appealable Order of this Court directing the Title Company to disburse funds in the amount of the Receiver Award to the Receiver less any amounts that the Receiver has collected that the state court approves the Receiver to apply to his total fees and expenses in connection with the Princeton Lawsuit. The Reinstatement Order shall remain in full force and affect except as modified herein.

7. Notwithstanding anything to the contrary in the Settlement Agreement, WCCG and GVS shall not be parties to the Settlement Agreement for all purposes, including the release provisions set forth in Paragraphs 6 and 7 thereof. For the avoidance of any doubt, this Paragraph 7 shall not affect or otherwise modify the indemnification provisions as set forth in the Settlement Agreement and Princeton shall be indemnified under the Settlement Agreement if they are sued

by the Receiver acting as WCCG or GVS.

8. This Order does not herein address the enforceability of any release given by a non-Debtor party. To the extent any entity lacks the authority to give a release due to the fact that it is in receivership, in bankruptcy or for any other reason, all parties' rights are reserved in any subsequent enforcement litigation to argue same.

9. This Order shall have no effect on existing litigation or claims filed by the Receiver in this Court. Such litigation shall not be stayed or modified in any way by virtue of this Order unless and until such receivership is terminated or modified by a court of competent jurisdiction or the parties otherwise agree to stay any such litigation. This Order does not act to terminate or modify the Receiver's rights and duties under the Receivership Order. Furthermore, the $3.5 million reserve for the Receiver Claims as defined in this Court's Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors (Dkt. No. 1377) shall remain in place pending further Order of the Court.

10. Except as it may pertain to disputes regarding this Order which the Court retains jurisdiction to consider, this Order shall have no effect on existing claims, litigation or appeals between and among the Receiver and any non-Debtor party outside of this Court. Such litigation shall not be stayed, modified, or otherwise affected in any way by virtue of this Order.

11. Notice of the Emergency Motion as provided therein shall be deemed good and sufficient notice of such Emergency Motion under the circumstances and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

12. Notwithstanding the applicability of any Bankruptcy Rules, the terms and conditions of this Order shall not be stayed and shall be immediately effective and enforceable upon its entry.

13. Except as may be expressly contrary to the relief afforded herein, the Defendants are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

14. This Court shall retain jurisdiction over all matters arising from or related to the interpretation or implementation of this Order.

 # # # END OF ORDER # # #

Exhibit C

Form of Settlement Payment Escrow Release Instructions

ROSS & SMITH, PC
Complex Bankruptcy, Corporate and Mediation

September , 2022

VIA EMAIL

Fidelity National Title Insurance Company
Attn: Larry Boes
485 Lexington Ave., 18th Floor
New York, New York 10017
Larry.Boes@fnf.com

Re: Title No. 58349 (In re Great Value Storage) – Disbursement Instruction Letter Regarding Princeton Reserve

Mr. Boes:

As you may be aware, Ross & Smith, PC ("R&S") is counsel for Princeton Capital Corporation ("Princeton") and Squire Patton Boggs (US) LLP ("Squire") is counsel for World Class Holdings I, LLC ("WCH"), 36 non-debtor defendants (collectively, but excluding World Class Capital Group LLC and Great Value Storage, LLC, while under Receivership, the "Non-Debtor Defendants") in the case styled *Princeton Capital Corporation v. GVS Texas Holdings I, LLC, et al.*, Adv. Case No. 22-03043 (Bankr. N.D. Tex. 2022) (the "Princeton Proceeding"), and the fifteen reorganized debtors (collectively, the "Reorganized Debtors" and together with WCH and the Non-Debtor Defendants, the "World Class Entities") in chapter 11 bankruptcy proceedings in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"), which cases are pending as *In re GVS Texas Holdings I, LLC, et al.*, main Case No. 21-31121-MVL (Bankr. N.D. Tex. 2021) (the "Bankruptcy Cases").

Pursuant to Paragraphs 3 and 4 of the *Order Granting Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise between Princeton Capital Corporation and the Reorganized Debtors* [AP Docket No.] (the "Settlement Order") entered in the Princeton Proceeding, and Paragraph 5(b) of the *Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1377] (the "Reinstatement Order") entered in the Bankruptcy Cases, Fidelity National Title Insurance Company (the "Title Company") must disburse the $15 million being held by the Title Company (the "Princeton Reserve") on account of certain claims held by Princeton against certain of the World Class Entities in accordance with the instructions contained in this letter (the "Escrow Instructions"), a substantially identical copy of which is attached as Exhibit 2 to the Settlement Order.

A copy of the Settlement Order is attached to this letter as Exhibit A. A copy of the Reinstatement Order is attached to this letter as Exhibit B.

In addition to being approved by the Bankruptcy Court, the Escrow Instructions have been jointly drafted by counsel for Princeton and the World Class Entities. Lawyers from both R&S and Squire have signed the Escrow Instructions, as directed by the Bankruptcy Court.

As further directed by the Bankruptcy Court via the Settlement Order and Reinstatement Order, the Escrow Instructions hereby direct the Title Company to perform the following:

The Title Company, upon receipt of these instruction and certification from counsel for Princeton and the World Class Entities via email, that Princeton has complied with its obligations, including those set forth in Section 4 of the Settlement Agreement, is directed to disburse the following amounts of the Princeton Reserve by wire transfer to Princeton, on one hand, and Horizon Bank (the "1031 Agent") or such other account as designated by the World Class Entities, on the other hand, from Account No. ******1018 (the "Princeton Reserve Account") no later than one (1) business day after receiving the Escrow Instructions from counsel for Princeton, in accordance with paragraph 4 of the Settlement Order:

1. Princeton: $11,372,698.89; and
2. 1031 Agent: $2,627,301.11.[1]

Immediately upon receipt of the emailed Escrow Instructions from counsel for Princeton and World Class, the Title Company shall notify counsel for Princeton, the World Class Entities that the delivered Escrow Instructions comply with paragraph 4 of the Settlement Order and Seth Kretzer, Receiver for World Class Capital Group LLC and Great Value Storage, LLC c/o Lynnette Warman at lwarman@cm.law. Counsel for Princeton and Sheena Paul for the World Class Entities, on behalf of the 1031 Agent, shall then immediately provide the Title Company with their respective wire instructions in separate emails, along with a phone number that the Title Company shall call to confirm the wire instructions for Princeton and 1031 Agent, respectively, upon the delivery of the Escrow Instructions to the Title Company.

Neither R&S nor Squire will be confirming those wire transfer instructions by telephone, however, I am counsel of record in the Bankruptcy Court for Princeton and am available to confirm the authenticity of this correspondence by telephone at (214-377-8659). Likewise, counsel of record in the Bankruptcy Court for the World Class Entities, Jeffrey N. Rothleder, is available to confirm the authenticity of this correspondence by telephone at (202-457-6462).

[1] The funds that remain in the Princeton Reserve in the amount of $1 million following the initial disbursement directed herein shall be held by the Title Company and shall be disbursed only upon submission thereto of joint written instructions executed by counsel for Princeton and the World Class Entities, a form of which is attached to this letter as Exhibit C, or submission to the Title Company of a final, non-appealable order of the Bankruptcy Court authorizing and directing payment of all or portions of the $1 million.

Sincerely,

/s/ _____

Judith W. Ross
Partner, Ross & Smith, PC
Counsel for Princeton Capital Corporation

/s/ _____

Jeffrey N. Rothleder
Partner, Squire Patton Boggs (US) LLP
Counsel for the World Class Entities

Exhibit D

Form of Notice of Dismissal of Adversary Proceeding

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
Phone: 214-377-7879
Fax: 214-377-9409
Email: judith.ross@judithwross.com
Email: jessica.lewis@judithwross.com

COUNSEL FOR PRINCETON CAPITAL CORPORATION

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

In re:	§	**Chapter 11**
	§	
GVS TEXAS HOLDINGS I, LLC, *et al.*,[1]	§	**Case No. 21-31121-MVL**
	§	
Debtors.	§	**(Jointly Administered)**
	§	
	§	
PRINCETON CAPITAL CORPORATION,	§	
	§	**Adv. No. 22-03043**
Plaintiff,	§	
	§	
v.	§	
	§	
GVS TEXAS HOLDINGS I, LLC, *et al.*,[2]	§	

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408) (collectively, the "Reorganized Debtors"). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

[2] The Defendants in this adversary proceeding are: GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; GVS Colorado Holdings I, LLC; World Class Capital Group, LLC; Great Value Storage, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC;

Defendants.	§
	§
WORLD CLASS HOLDINGS I, LLC	§
	§
Intervenor.	§
	§

NOTICE OF DISMISSAL WITH PREJUDICE

PLEASE TAKE NOTICE THAT Princeton Capital Corporation, by its undersigned attorneys, in the above-captioned adversary proceeding (this "Adversary Proceeding"), dismisses this Adversary Proceeding with prejudice as ordered by the Court in the *Order of Dismissal of Adversary Proceeding* [Docket No. ___].

DATED: _____, 2022
Dallas, Texas

Respectfully submitted,

/s/ DRAFT
Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
Phone: 214-377-7879
Fax: 214-377-9409
Email: judith.ross@judithwross.com
Email: jessica.lewis@judithwross.com

COUNSEL FOR PRINCETON CAPITAL CORPORATION

WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; WC Kansas City Storage GP, LLP; and John Does.

CERTIFICATE OF SERVICE

I hereby certify that on this _____, 2022, I caused a true and correct copy of the foregoing to be filed and served through ECF notification upon all parties who receive notice in this matter pursuant to the Court's CM/ECF filing system.

/s/ DRAFT
Judith W. Ross

Exhibit E

Form of Notice of Assignment of Judgment and Substitution of Parties

PHOENIX LENDING, LLC

NOTICE OF ASSIGNMENT

September [__], 2022

[NAME]
[TITLE]
Princeton Capital Corporation
800 Turnpike Street, Suite 300
North Andover, MA 01845

Dear [NAME]:

Your (i) Senior Secured Promissory Note, dated July 31, 2012 ("Note A") in the principal amount of $2,000,000, (ii) Senior Secured Promissory Note, dated September 27, 2012 ("Note B") in the principal amount of $500,000, (iii) Senior Secured Promissory Note, dated November 12, 2014 ("Note C" and together with Note A and Note B, the "Notes") in the principal amount of $3,100,000 (each of (i), (ii), and (iii) delivered to Capital Point Partners II, L.P. and thereafter assigned to you), (iv) Note Purchase Agreement, dated July 31, 2012 (the "Note Purchase Agreement"), by and among Capital Point Partners II, L.P. (your predecessor-in-interest), Great Value Storage, LLC ("Great Value") and World Class Capital Group, LLC ("World Class"), and (v) order of judgment by the Texas District Court that Great Value and World Class were liable to you for contract damages of $9,759,713.84 and attorneys' fees of $150,887.50 (the "Judgment"), will be pledged and assigned by you to Phoenix Lending, LLC, a Delaware limited liability company ("Phoenix") in connection with that certain Settlement Agreement, dated as of September 2, 2022, in exchange for $11,372,698.89 (the "**Payment**")paid by Phoenix to you in accordance with the terms of the Settlement Agreement.

You are hereby directed to make payment of any future installments or payments you receive (save and except for the Payment that you receive under the Notes and the Judgment directly to Phoenix, or to such account or entity as Phoenix shall designate.

This Notice of Assignment may be revoked, amended, modified or amended only by a writing signed and delivered to you by Phoenix.

Phoenix requests that you confirm the amount of each Note by signing and returning to Phoenix a copy of the attached acknowledgement.

Please feel free to contact [NAME] and [PHONE NUMBER] if you have any questions regarding this Notice of Assignment.

Sincerely,

PHOENIX LENDING, LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

The undersigned hereby acknowledges to Phoenix Lending, LLC, a Delaware limited liability company ("Phoenix") the contents of the Notice of Assignment and confirms that it executed the Notes in the amounts as set forth in the Notice of Assignment and agreed to such terms as are set forth in the Notes. The undersigned acknowledges that the Notes are valid, binding and enforceable obligations, that the undersigned will not amend, modify or terminate the Notes without the written consent of Phoenix or its successors and assigns, and that it will make payments in accordance with the terms of the Notes and deliver payments in accordance with the directions in the Notice of Assignment.

PRINCETON CAPITAL CORPORATION

By:_____
Name: _____
Title:_____

No. 01-21-00284-CV

IN THE FIRST COURT OF APPEALS
HOUSTON, TEXAS

GREAT VALUE STORAGE LLC and
WORLD CLASS CAPITAL GROUP LLC,
Appellants,

V.

PRINCETON CAPITAL CORPORATION,
Appellee.

On Appeal from the 165th District Court of Harris County, Texas
Trial Court Cause No. 2019-18855
The Honorable Ursula Hall, Judge Presiding

APPELLEE'S UNOPPOSED MOTION FOR SUBSTITUTION OF PARTIES

Plaintiff Princeton Capital Corporation ("Princeton") moves this Court, pursuant to Tex. R. App. P. 7.1(b), to substitute Phoenix Lending, LLC as appellee in place of Princeton pursuant an assignment of the promissory notes that are the basis of this appeal. Phoenix is hereby substituting in as Post Judgment Creditor and Plaintiff only, and not as a Defendant in the Declaratory Action filed by Seth Kretzer.

Respectfully submitted,

SUSMAN GODFREY L.L.P.

Mark L.D. Wawro
State Bar No. 20988275
mwawro@susmangodfrey.com
Abigail C. Noebels
State Bar No. 24083578
anoebels@susmangodfrey.com
1000 Louisiana Street, Suite 5100
Houston, Texas 77002-5096
Telephone: (713) 651-9366
Fax: (713) 654-6666
Attorneys for Princeton Capital Corporation

CERTIFICATE OF CONFERENCE

As required by Tex. R. App. P. 10.1(a)(5), I conferred with appellants' counsel about the merits of this motion and appellants do not oppose this motion.

_____
Abigail C. Noebels

CERTIFICATE OF SERVICE

I served the foregoing document on all counsel by electronic filing in accordance with Tex. R. App. P. 9.5(e) on September 18, 2022.

_____
Abigail C. Noebels

CAUSE NO. 2019-18855

PRINCETON CAPITAL CORPORATION,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff	§	
	§	
v.	§	**HARRIS COUNTY, TEXAS**
	§	
GREAT VALUE STORAGE LLC, WORLD CLASS CAPITAL GROUP, LLC, and NATIN PAUL	§	
	§	
Defendants	§	**165TH JUDICIAL DISTRICT**

PRINCETON'S UNOPPOSED MOTION TO SUBSTITUTE PARTIES

Plaintiff Princeton Capital Corporation ("Princeton") moves this Court pursuant to Tex. R. Civ. P. 37 for substitution of Phoenix Lending, LLC as plaintiff in place of Princeton, pursuant to an assignment of the promissory notes that are the basis of this suit. This motion for substitution of Princeton as the plaintiff is not intended to delay this action and does not prejudice the defendants. Princeton asks this Court to sign the attached order granting this substitution. Phoenix is hereby substituting in as Post Judgment Creditor and Plaintiff only, and not as a Defendant in the Declaratory Action filed by Seth Kretzer.

Respectfully submitted,

SUSMAN GODFREY L.L.P.

_____
Mark L.D. Wawro
State Bar No. 20988275
mwawro@susmangodfrey.com
Abigail C. Noebels
State Bar No. 24083578
anoebels@susmangodfrey.com
1000 Louisiana Street, Suite 5100
Houston, Texas 77002-5096
Telephone: (713) 651-9366
Fax: (713) 654-6666
Attorneys for Princeton Capital Corporation

CERTIFICATE OF CONFERENCE

I certify that I conferred with defendants' counsel about the merits of this motion and defendants do not oppose this motion.

_____
Abigail C. Noebels

CERTIFICATE OF SERVICE

On September 18, 2022, I served the foregoing document to all counsel of record, in accordance with Texas Rules of Civil Procedure 21 and 21a, by service via the court's electronic filing system.

_____
Abigail C. Noebels

CAUSE NO. 2019-18855

PRINCETON CAPITAL CORPORATION,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff	§	
	§	
v.	§	**HARRIS COUNTY, TEXAS**
	§	
GREAT VALUE STORAGE LLC, WORLD CLASS CAPITAL GROUP, LLC, and NATIN PAUL	§	
	§	
Defendants	§	**165TH JUDICIAL DISTRICT**

ORDER GRANTING SUBSTITUTION OF PARTIES

The Court grants Plaintiff Princeton Capital Corporation's Motion for Substitution of Parties pursuant to Tex. R. Civ. P. 37 and ORDERS that Phoenix Lending, LLC is substituted as plaintiff in place of Princeton. Phoenix is hereby substituting in as Post Judgment Creditor and Plaintiff only, and not as a Defendant in the Declaratory Action filed by Seth Kretzer.

Signed on _____.

_____
PRESIDING JUDGE

CAUSE NO. 2019-18855-A

PRINCETON CAPITAL CORPORATION,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff	§	
	§	
v.	§	**HARRIS COUNTY, TEXAS**
	§	
GREAT VALUE STORAGE LLC, WORLD CLASS CAPITAL GROUP, LLC, and NATIN PAUL	§	
	§	
Defendants	§	**165TH JUDICIAL DISTRICT**

PRINCETON'S UNOPPOSED MOTION TO SUBSTITUTE PARTIES

Plaintiff Princeton Capital Corporation ("Princeton") moves this Court pursuant to Tex. R. Civ. P. 37 for substitution of Phoenix Lending, LLC is substituted as plaintiff in place of Princeton, pursuant to an assignment of the promissory notes that are the basis of this suit. This motion for substitution of Princeton as the plaintiff is not intended to delay this action and does not prejudice the defendants. Princeton asks this Court to sign the attached order granting this substitution. Phoenix is hereby substituting in as Post Judgment Creditor and Plaintiff only, and not as a Defendant in the Declaratory Action filed by Seth Kretzer.

Respectfully submitted,

SUSMAN GODFREY L.L.P.

_____
Mark L.D. Wawro
State Bar No. 20988275
mwawro@susmangodfrey.com
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1000 Louisiana Street, Suite 5100
Houston, Texas 77002-5096
Telephone: (713) 651-9366
Fax: (713) 654-6666
Attorneys for Princeton Capital Corporation

CERTIFICATE OF CONFERENCE

I certify that I conferred with defendants' counsel about the merits of this motion and defendants do not oppose this motion.

_____
Abigail C. Noebels

CERTIFICATE OF SERVICE

On September 18, 2022, I served the foregoing document to all counsel of record, in accordance with Texas Rules of Civil Procedure 21 and 21a, by service via the court's electronic filing system.

_____
Abigail C. Noebels

CAUSE NO. 2019-18855-A

PRINCETON CAPITAL CORPORATION,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff	§	
	§	
v.	§	**HARRIS COUNTY, TEXAS**
	§	
GREAT VALUE STORAGE LLC, WORLD CLASS CAPITAL GROUP, LLC, and NATIN PAUL	§	
	§	
Defendants	§	**165TH JUDICIAL DISTRICT**

ORDER GRANTING SUBSTITUTION OF PARTIES

The Court grants Plaintiff Princeton Capital Corporation's Motion for Substitution of Parties pursuant to Tex. R. Civ. P. 37 and ORDERS that Phoenix Lending, LLC is substituted as plaintiff in place of Princeton. Phoenix is hereby substituting in as Post Judgment Creditor and Plaintiff only, and not as a Defendant in the Declaratory Action filed by Seth Kretzer.

Signed on _____.

_____
PRESIDING JUDGE

Exhibit F

Form of Notice of Withdrawal of Proofs of Claim

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
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Email: judith.ross@judithwross.com
Email: jessica.lewis@judithwross.com

COUNSEL FOR PRINCETON CAPITAL CORPORATION

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

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

NOTICE OF WITHDRAWAL OF PROOFS OF CLAIM

PLEASE TAKE NOTICE THAT Princeton Capital Corporation ("Princeton"), by its undersigned attorneys, in the above-captioned jointly administered bankruptcy cases, respectfully withdraws with prejudice the following amended proofs of claim filed by Princeton on January 21, 2022:

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

i. Proof of Claim No. 119-8 filed against GVS Portfolio I B, LLC;[2]

ii. Proof of Claim No. 120-4 filed against GVS Portfolio I, LLC;[3]

iii. Proof of Claim No. 121-78 filed against GVS Texas Holdings I, LLC;[4]

iv. Proof of Claim No. 122-32 filed against GVS Texas Holdings II, LLC;[5]

v. Proof of Claim No. 123-12 filed against GVS Ohio Holdings I, LLC;[6]

vi. Proof of Claim No. 124-10 filed against GVS Ohio Holdings II, LLC;[7]

vii. Proof of Claim No. 125-10 filed against WC Mississippi Storage Portfolio I, LLC;[8]

viii. Proof of Claim No. 126-6 filed against GVS Nevada Holdings I, LLC;[9]

ix. Proof of Claim No. 127-7 filed against GVS Missouri Holdings I, LLC;[10]

x. Proof of Claim No. 128-9 filed against GVS New York Holdings I, LLC;[11]

xi. Proof of Claim No. 129-8 filed against GVS Indiana Holdings I, LLC;[12]

xii. Proof of Claim No. 130-7 filed against GVS Illinois Holdings I, LLC;[13]

xiii. Proof of Claim No. 131-13 filed against GVS Tennessee Holdings I, LLC;[14]

xiv. Proof of Claim No. 132-7 filed against GVS Colorado Holdings I, LLC;[15] and

[2] Amends Proof of Claim No. 119-5.

[3] Amends Proof of Claim No. 120-2.

[4] Amends Proof of Claim No. 121-62.

[5] Amends Proof of Claim No. 122-24.

[6] Amends Proof of Claim No. 123-7.

[7] Amends Proof of Claim No. 124-5.

[8] Amends Proof of Claim No. 125-4.

[9] Amends Proof of Claim No. 126-3.

[10] Amends Proof of Claim No. 127-4.

[11] Amends Proof of Claim No. 128-5.

[12] Amends Proof of Claim No. 129-4.

[13] Amends Proof of Claim No. 130-3.

[14] Amends Proof of Claim No. 131-9.

[15] Amends Proof of Claim No. 132-3.

xv. Proof of Claim No. 164-2 filed against GVS Portfolio I C, LLC.[16]

DATED: _____, 2022
Dallas, Texas

Respectfully submitted,

/s/ DRAFT

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
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COUNSEL FOR PRINCETON CAPITAL CORPORATION

[16] Amends Proof of Claim No. 164-1.

CERTIFICATE OF SERVICE

I hereby certify that on this _____, 2022, I caused a true and correct copy of the foregoing to be filed and served through ECF notification upon all parties who receive notice in this matter pursuant to the Court's CM/ECF filing system.

/s/ DRAFT
Judith W. Ross

Exhibit 2

Escrow Instructions

ROSS & SMITH, PC
Complex Bankruptcy, Corporate and Mediation

September , 2022

VIA EMAIL

Fidelity National Title Insurance Company
Attn: Larry Boes
485 Lexington Ave., 18th Floor
New York, New York 10017
Larry.Boes@fnf.com

Re: Title No. 58349 (In re Great Value Storage) – Disbursement Instruction Letter Regarding Princeton Reserve

Mr. Boes:

As you may be aware, Ross & Smith, PC ("R&S") is counsel for Princeton Capital Corporation ("Princeton") and Squire Patton Boggs (US) LLP ("Squire") is counsel for World Class Holdings I, LLC ("WCH"), 36 non-debtor defendants (collectively, but excluding World Class Capital Group LLC and Great Value Storage, LLC, while under Receivership, the "Non-Debtor Defendants") in the case styled *Princeton Capital Corporation v. GVS Texas Holdings I, LLC, et al.*, Adv. Case No. 22-03043 (Bankr. N.D. Tex. 2022) (the "Princeton Proceeding"), and the fifteen reorganized debtors (collectively, the "Reorganized Debtors" and together with WCH and the Non-Debtor Defendants, the "World Class Entities") in chapter 11 bankruptcy proceedings in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"), which cases are pending as *In re GVS Texas Holdings I, LLC, et al.*, main Case No. 21-31121-MVL (Bankr. N.D. Tex. 2021) (the "Bankruptcy Cases").

Pursuant to Paragraphs 3 and 4 of the *Order Granting Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise between Princeton Capital Corporation and the Reorganized Debtors* [AP Docket No.] (the "Settlement Order") entered in the Princeton Proceeding, and Paragraph 5(b) of the *Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1377] (the "Reinstatement Order") entered in the Bankruptcy Cases, Fidelity National Title Insurance Company (the "Title Company") must disburse the $15 million being held by the Title Company (the "Princeton Reserve") on account of certain claims held by Princeton against certain of the World Class Entities in accordance with the instructions contained in this letter (the "Escrow Instructions"), a substantially identical copy of which is attached as Exhibit 2 to the Settlement Order.

A copy of the Settlement Order is attached to this letter as Exhibit A. A copy of the Reinstatement Order is attached to this letter as Exhibit B.

In addition to being approved by the Bankruptcy Court, the Escrow Instructions have been jointly drafted by counsel for Princeton and the World Class Entities. Lawyers from both R&S and Squire have signed the Escrow Instructions, as directed by the Bankruptcy Court.

As further directed by the Bankruptcy Court via the Settlement Order and Reinstatement Order, the Escrow Instructions hereby direct the Title Company to perform the following:

The Title Company, upon receipt of these instruction and certification from counsel for Princeton and the World Class Entities via email, that Princeton has complied with its obligations, including those set forth in Section 4 of the Settlement Agreement, is directed to disburse the following amounts of the Princeton Reserve by wire transfer to Princeton, on one hand, and Horizon Bank (the "1031 Agent") or such other account as designated by the World Class Entities, on the other hand, from Account No. ******1018 (the "Princeton Reserve Account") no later than one (1) business day after receiving the Escrow Instructions from counsel for Princeton, in accordance with paragraph 4 of the Settlement Order:

1. Princeton: $11,372,698.89; and
2. 1031 Agent: $2,627,301.11.[1]

Immediately upon receipt of the emailed Escrow Instructions from counsel for Princeton and World Class, the Title Company shall notify counsel for Princeton, the World Class Entities that the delivered Escrow Instructions comply with paragraph 4 of the Settlement Order and Seth Kretzer, Receiver for World Class Capital Group LLC and Great Value Storage, LLC c/o Lynnette Warman at lwarman@cm.law. Counsel for Princeton and Sheena Paul for the World Class Entities, on behalf of the 1031 Agent, shall then immediately provide the Title Company with their respective wire instructions in separate emails, along with a phone number that the Title Company shall call to confirm the wire instructions for Princeton and 1031 Agent, respectively, upon the delivery of the Escrow Instructions to the Title Company.

Neither R&S nor Squire will be confirming those wire transfer instructions by telephone, however, I am counsel of record in the Bankruptcy Court for Princeton and am available to confirm the authenticity of this correspondence by telephone at (214-377-8659). Likewise, counsel of record in the Bankruptcy Court for the World Class Entities, Jeffrey N. Rothleder, is available to confirm the authenticity of this correspondence by telephone at (202-457-6462).

[1] The funds that remain in the Princeton Reserve in the amount of $1 million following the initial disbursement directed herein shall be held by the Title Company and shall be disbursed only upon submission thereto of joint written instructions executed by counsel for Princeton and the World Class Entities, a form of which is attached to this letter as Exhibit C, or submission to the Title Company of a final, non-appealable order of the Bankruptcy Court authorizing and directing payment of all or portions of the $1 million.

Sincerely,

/s/ _____

Judith W. Ross
Partner, Ross & Smith, PC
Counsel for Princeton Capital Corporation

/s/ _____

Jeffrey N. Rothleder
Partner, Squire Patton Boggs (US) LLP
Counsel for the World Class Entities

EXHIBIT 2

Debtors Motion to Approve Settlement. Highlights by Receiver.

SQUIRE PATTON BOGGS (US) LLP

Travis A. McRoberts (Bar No. 24088040)
2000 McKinney Ave., Suite 1700
Dallas, TX 75201
Telephone: (214) 758-1589
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Kyle F. Arendsen (admitted *pro hac vice*)
201 E. Fourth St., Suite 1900
Cincinnati, OH 45202
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Facsimile: (513) 361-1201
Email: kyle.arendsen@squirepb.com

Counsel for Non-Debtor Defendants, Reorganized Debtors, and World Class Holdings I, LLC

Sarah K. Rathke (admitted *pro hac vice*)
Peter R. Morrison (admitted *pro hac vice*)
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4900 Key Tower
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UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

EMERGENCY MOTION
PURSUANT TO BANKRUPTCY RULE 9019 FOR ENTRY OF AN ORDER APPROVING A SETTLEMENT AND COMPROMISE BETWEEN PRINCETON CAPITAL CORPORATION AND THE REORGANIZED DEBTORS

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

AN EXPEDITED HEARING HAS BEEN REQUESTED ON THIS MATTER. 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 PRIOR TO THE HEARING DATE. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THIS EMERGENCY MOTION; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

The above-captioned reorganized debtors (the "Reorganized Debtors"), together with the 36 Non-Debtor Defendants[2] in *Princeton Capital Corp. v. GVS Texas Holdings I, LLC*, Adv. Case No. 22-03043 (Bankr. N.D. Tex. 2022) (the "Adversary Proceeding") and World Class Holdings I, LLC (WCH" and together with the Reorganized Debtors and Non-Debtor Defendants, the "Defendants"), by and through their undersigned counsel, file this *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and the Reorganized Debtors* (this "Emergency Motion"), and hereby move for entry of two orders: (1) one substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), approving (a) that certain Settlement, Assignment and Acceptance Agreement[3] (the "Settlement Agreement"), by and among certain Defendants and Princeton Capital Corporation ("Princeton" and together with the Defendants, the "Parties"), and (b) the

[2] "Non-Debtor Defendants" means, collectively, World Class Capital Group, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC; WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; and WC Kansas City Storage GP, LLP.

[3] A copy of the Settlement Agreement is attached to the Proposed Order as **Exhibit 1**.

escrow instructions letter[4] (the "Escrow Instructions") drafted jointly by the Parties directing Fidelity National Title Insurance Company (the "Title Company") to disburse the $15 million being held in Account No. ******1018 by the Title Company (the "Princeton Reserve"), as more fully set forth in the Escrow Instructions; and (2) another order substantially in the form attached hereto as **Exhibit B** (the "Order of Dismissal"), dismissing the Adversary Proceeding after entry of the Proposed Order. Princeton supports the relief sought by this Emergency Motion in all respects. In support of the Emergency Motion, the Defendants respectfully state as follows:

PRELIMINARY STATEMENT

1. For years, Princeton and the Defendants have disputed whether Princeton is entitled to a pecuniary recovery against certain entities party to the NPA (as defined herein), spawning litigation in several courts including before this Court. Although each party is confident that its position will prevail, the Parties have agreed that the time has come to settle the various claims and grant one another mutual releases. The Settlement Agreement is a testament to the Parties' determination and discipline to put aside their differences and negotiate a mutually agreeable settlement.

2. The Settlement Agreement is a clear success for the Reorganized Debtors, Princeton, the Defendants, and WCH because it reflects the resolution of one of the last remaining disputes before this Court related to these chapter 11 cases while permitting Princeton to obtain a recovery without the need for further extensive and expensive litigation. Not only does the Settlement Agreement result in the resolution of the Adversary Proceeding, but also provides finality with respect to Princeton's proofs of claim filed in these cases while providing a significant

[4] The Escrow Instructions are attached to the Proposed Order as **Exhibit 2**.

recovery to the Reorganized Debtors and equity holder in time for its 1031 exchange deadline on September 19, 2022.

3. As detailed herein, the settlement provides that Princeton will be paid $11,372,698.89 from the Princeton Reserve (the "Settlement Amount") in exchange for a full mutual release of the settling Defendants, including the Reorganized Debtors and WCH. The Settlement Agreement facilitates the purchase of the Promissory Notes and payment to Princeton, which will provide Princeton with a clean break from all litigation and liabilities related to and associated with the Defendants and their related entities. And, the Settlement Agreement will bring finality to this dispute and Princeton's involvement with these chapter 11 cases. In reaching this Settlement Agreement, the Parties, after good faith and hard-fought negotiations, agreed to terms that will obviate the need for the Reorganized Debtors, the Parties, and this Court to expend any further time and resources, and provide finality to contentious and prolonged litigation. Indeed, this resolution brings these cases to the brink of conclusion and removes one of the last obstacles to obtaining a final decree.

4. As a result, the Defendants assert that the consideration for the settlement is fair, reasonable, and certainly falls above the lowest point in the range of reasonableness. Thus, given the benefit to all parties and the interest of all stakeholders involved, the Settlement Agreement should be approved.

JURISDICTION AND VENUE

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334.

6. This is a core proceeding pursuant to 28 U.S.C. § 157(b). This Court has constitutional authority to enter final orders with respect to the relief requested herein. The Defendants confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy

Procedure (the "Bankruptcy Rules"), to the entry of a final order by this Court related solely to this Emergency Motion and Proposed Order.

7. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

8. The statutory bases for the relief requested herein are section 1129 of title 11 of the United States Code (the "Bankruptcy Code"), Bankruptcy Rule 9019, and rule 9019-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Northern District of Texas.

BACKGROUND

I. Texas District Court Judgment

9. Between July 31, 2012 and November 12, 2014, Great Value Storage, LLC ("GVS") and/or World Class Capital Group, LLC ("WCCG," together with GVS, the "Judgment Entities") executed three senior secured promissory notes for a total of $5.6 million (the "Promissory Notes") with Capital Point Partners II, LP pursuant to that certain Note Purchase Agreement dated November 12, 2014 (as amended on November 12, 2014 and May 19, 2016, the "NPA"). The NPA was subsequently assigned to Princeton.

10. On March 14, 2019, Princeton sued GVS, WCCG, and Natin Paul with respect to the Promissory Notes in the case styled *Princeton Capital Corporation vs Great Value Storage LLC, et al.* pending in the 165th District Court of Harris County, Texas (the "Texas District Court"), Case No. 2019-18855. On March 9, 2021, the Texas District Court ordered that the Judgment Entities were liable to Princeton for contract damages of $9,759,713.84 and attorneys' fees of $150,887.50 (the "Judgment"). To date, there has been no judgment found or assessed against Natin Paul.

11. The Judgment Entities have appealed the Judgment in Texas state court.

II. Princeton Proofs of Claim and Related Objections

12. On January 21, 2022, Princeton filed the following amended proofs of claim in the Reorganized Debtors' bankruptcy cases (the "Bankruptcy Cases"):

a) Proof of Claim No. 119-8 filed against GVS Portfolio I B, LLC;

b) Proof of Claim No. 120-4 filed against GVS Portfolio I, LLC;

c) Proof of Claim No. 121-78 filed against GVS Texas Holdings I, LLC;

d) Proof of Claim No. 122-32 filed against GVS Texas Holdings II, LLC;

e) Proof of Claim No. 123-12 filed against GVS Ohio Holdings I, LLC;

f) Proof of Claim No. 124-10 filed against GVS Ohio Holdings II, LLC;

g) Proof of Claim No. 125-10 filed against WCH Mississippi Storage Portfolio I, LLC;

h) Proof of Claim No. 126-6 filed against GVS Nevada Holdings I, LLC;

i) Proof of Claim No. 127-7 filed against GVS Missouri Holdings I, LLC;

j) Proof of Claim No. 128-9 filed against New York Holdings I, LLC;

k) Proof of Claim No. 129-8 filed against GVS Indiana Holdings I, LLC;

l) Proof of Claim No. 130-7 filed against GVS Illinois Holdings I, LLC;

m) Proof of Claim No. 131-13 filed against GVS Tennessee Holdings I, LLC;

n) Proof of Claim No. 132-7 filed against GVS Colorado Holdings I, LLC; and

o) Proof of Claim No. 164-2 filed against GVS Portfolio I C, LLC (collectively, the "Princeton Proofs of Claim").

13. On March 15, 2022 and April 7, 2022, WCH [Docket No. 841] and the Reorganized Debtors [Docket No. 925], respectively, filed objections to the Princeton Proofs of Claim in the Bankruptcy Cases (separately the "WCH Claim Objection" and the "Reorganized Debtors' Claim Objection," and collectively the "Claim Objections").

III. Adversary Proceeding

14. On April 27, 2022, Princeton filed an eight-count *Complaint* [AP Docket No. 1]

commencing the Adversary Proceeding.

15. On May 18, 2022, the Court entered the *Stipulation and Order Regarding Resolution by and between World Class Holdings I, LLC, Princeton Capital Corporation, and the Reorganized Debtors Regarding Motion to Consolidate Princeton Claims and Related Objections into Adversary Proceeding* [Docket No. 1090], which, *inter alia*, consolidated the Princeton Proofs of Claim and Claim Objections into the Adversary Proceeding.

16. On June 21, 2022, the Non-Debtor Defendants moved to dismiss the Complaint [Docket Nos. 13, 14]. Later, on August 17, 2022, Princeton responded to the motion to dismiss [Docket No. 27]. No hearing has yet occurred on the motion to dismiss.

IV. The Settlement Agreement

17. Over the last several weeks, the Reorganized Debtors, Defendants, and Princeton have engaged in good faith, and, ultimately, successful settlement discussions, which culminated in the execution of the Settlement Agreement, which requires the Defendants to file this Emergency Motion requesting that the Court approve the Proposed Order, *i.e.*, the Settlement Agreement and Escrow Instructions. The Parties entered into the Settlement Agreement on September 2, 2022, which resolves all pending disputes among the Parties, including the Adversary Proceeding. The material terms of the Settlement Agreement are set forth below.[5]

Purchase of NPA, Promissory Notes, and Judgment	1. Upon the receipt by Princeton (the "Assignor") of the Settlement Payment (as defined below) in good funds, Phoenix Lending, LLC (the "Assignee") hereby sells, transfers, conveys and assigns to the Assignee, and the Assignee hereby purchases, accepts, assumes, and undertakes from the Assignor all right and title to all rights, benefits, obligations, liabilities, and indemnities of the Assignor under and in connection with the (i) the

[5] In the event of any inconsistency between this Emergency Motion and the Settlement Agreement, the Settlement Agreement shall control.

	Note Purchase Agreement, (ii) the Notes and (iii) the Judgment. 2. Upon the receipt by Assignor of the Settlement Payment in good funds, the Assignor hereby sells, transfers, conveys and assigns to the Assignee and the Assignee hereby accepts, assumes, and undertakes from the Assignor (i) all right and title to all rights, benefits, obligations, liabilities, and indemnities of the Assignor under and in connection with the other Transaction Documents and the Judgment, and (ii) except to the extent released pursuant to the provisions of the Settlement Agreement, all claims, suits, causes of action, and any other right of the Assignor against any person, whether known or unknown, arising under or in connection with any or each of the Transaction Documents, including, but not limited to, the Judgment and any and all contract claims, commercial tort claims, malpractice claims, statutory claims, and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above. For the avoidance of doubt, the parties hereto acknowledge and agree that the Assignor's right and title to all rights and benefits under the Final Judgment Order signed by Judge Ursula Hall on March 4, 2021 in *Princeton Capital Corporation v. Great Value Storage, LLC, World Class Capital Group, LLC and Natin Paul* are included in item (ii) of the foregoing. 3. With effect on and after the Effective Date (as defined below), the Assignee shall be party to the Transaction Documents and succeed to all of the rights and be obligated to perform all of the obligations of the Assignor under the Transaction Documents and the Judgment. The Assignee agrees that on and after the Effective Date it will perform all obligations which by the terms of the Transaction Documents are required to be performed by it thereunder.
Assignor Representations and Warranties	The Assignor represents, warrants and covenants as of the Execution Date and the date when the Settlement

	Agreement becomes effective pursuant to section 3 of the Settlement Agreement (the "Effective Date") that: a. it is the legal and beneficial owners of the interests being assigned by the Assignor hereunder and that such interests are free and clear of any lien or other adverse claim; b. it is duly organized and existing and it has the full power and authority to take, and have taken, all action necessary to execute and deliver the Settlement Agreement and any other documents required or permitted to be executed or delivered by the Assignor in connection with the Settlement Agreement and to fulfill its obligations in the Settlement Agreement; c. no notices to, or consents, authorizations, or approvals of, any person are required (other than any already given or obtained and still in full force and effect) for its due execution, delivery, and performance of this Agreement, and apart from any agreements or undertakings or filings required by the Transaction Documents, no further action by, or notice to, or filing with, any person is required for such execution, delivery, or performance; d. the Settlement Agreement has been duly executed and delivered by the Assignor and constitutes the legal, valid, and binding obligation of the Assignor, enforceable against the Assignor in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization, and other laws of general application relating to or affecting creditors' rights and to general equitable principles; e. the Assignor has received no distributions or payments in satisfaction of the Judgment from the Receiver, is not a party to or beneficiary of any agreements made with or by the Receiver and, after the Execution Date and the Assignor shall not accept any distributions or payments in satisfaction of the Judgment or make any other agreements

	with the Receiver in satisfaction of the Judgment or in relation to any fees or expenses that may be determined payable to the Receiver, unless otherwise agreed to by the Parties; f. unless compelled to do so by a court of competent jurisdiction, the Assignor agrees it will make no statement regarding (i) any motion by the Assignee to terminate the receivership or (ii) the amount of fees to be awarded to the Receiver; g. the Assignor shall not take or support any action adverse to the World Class Released Parties in the Bankruptcy Court or any other court related to this Agreement, the Judgment or the settlement of disputes between the Settlement Parties unless such action relates to the enforcement of the Settlement Agreement including any provision in the Settlement Agreement; h. the Assignor makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition, or statements of Great Value or World Class, or the performance or observance by Great Value or World Class, of any of its obligations under the Transaction Documents or any other instrument or document furnished in connection therewith.
Assignee Representations and Warranties	The Assignee represents and warrants as of the Execution Date and the Effective Date that: a. it is duly organized and existing and has full power and authority to take, and has taken, all action necessary to execute and deliver the Settlement Agreement and any other documents required or permitted to be executed or delivered by it in connection with the Settlement Agreement, and to fulfill its obligations thereunder; b. no notices to, or consents, authorizations, or approvals of, any person are required (other than any already given or obtained and still in full force and effect) for its due execution, delivery, and performance of the Settlement Agreement; and apart from any agreements or undertakings or

	filings required by the Transaction Documents, no further action by, or notice to, or filing with, any person is required of them for such execution, delivery, or performance; c. the Settlement Agreement has been duly executed and delivered by the Assignee and constitutes the legal, valid, and binding obligation of the Assignee, enforceable against the Assignee in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization, and other laws of general application relating to or affecting creditors' rights and to general equitable principles; d. the Assignee has been advised that none of the Notes have been registered under the Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available; e. the Assignee is aware that the Assignor is under no obligation to effect any such registration with respect to the Promissory Notes or to file for or comply with any exemption from registration; f. the Assignee is receiving the Notes from the Assignor for its own account and not with a view to, or for resale in connection with, the distribution thereof in violation of the Securities Act; and g. the Assignee has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of an investment in the Promissory Notes, is able to incur a complete loss of such investment in the Promissory Notes and to bear the economic risk of such investment for an indefinite period of time.
Assignee's Liability Exclusion	Subject to the indemnification provisions in section 1.e of the Settlement Agreement, Assignee does not assume any liability or responsibility for any action taken by Assignor

	in connection with the Promissory Notes, the Transaction Documents or the Judgment taken prior to the Effective Date, with all such liabilities and responsibilities remaining with the Assignor.
Assignee Indemnification	Assignee and the Reorganized Debtors hereby indemnify and hold Assignor harmless from any and all of the following, which only arise out of the assignment of the Note and assignment of the Judgment as set forth in section 1 of the Settlement Agreement: (i) all claims, liabilities, damages, judgments, fines and penalties asserted by the Receiver or Great Value Parties, including the Adversary Defendants ("Losses") that are determined by entry of a final, non-appealable order by the Bankruptcy Court or a court of competent jurisdiction to be Losses, except to the extent the same shall have been finally adjudicated in a court of competent jurisdiction to have been directly caused by Assignor's gross negligence, fraud or willful misconduct; and (ii) reasonable expenses, including out-of-pocket, incidental expenses and reasonable legal fees and expenses incurred in connection with Losses ("Expenses" and together with the Losses, the "Indemnification Obligation"). The Indemnification Obligation shall be secured by $1 million dollars of the funds retained in the Princeton Reserve after payment of the Settlement Amount to Princeton, as contemplated by the Settlement Agreement (the "Indemnification Security").[6] The Indemnification Security shall be held by the Title Company and shall be disbursed either (i) upon submission thereto of joint written instructions executed by Princeton and the Great Value Parties, a form of which is attached to the Settlement Agreement as Exhibit A or (ii) submission to the Title Company of a final, non-appealable order of the Bankruptcy Court authorizing and directing payment of all or portions of the Indemnification Obligation. Notwithstanding anything to the contrary in section 1.e of the Settlement Agreement, the Indemnification Obligation shall not be applicable or enforceable against the Assignee or any Great Value Party to the extent any of the Indemnification Obligation is incurred as a result of the consent, acquiescence or other affirmative action of the Assignor. Notwithstanding anything to the contrary in section 1.e of the Settlement Agreement, Princeton may periodically seek

[6] For the avoidance of doubt, should a court of competent jurisdiction find that entry into the Settlement Agreement shall be deemed to be gross negligence, fraud or willful misconduct against the Receiver, no exclusion for such gross negligence, fraud or willful misconduct shall be applicable.

	payment on account of its Expenses by filing a request for such payment to the Bankruptcy Court; *provided, however,* Assignor and the Great Value Parties reserve all rights with respect to any such request.
Settlement Payment	As consideration for the sale, assignment and transfer of the Promissory Notes and the Judgment and the in exchange for the dismissal of the actions described in section 4 and the releases described in sections 6 and 7 of this Settlement Agreement, upon the Effective Date, Assignee shall pay, or cause to be paid, to Princeton the amount of $11,372,698.89 (the "Settlement Amount") from funds currently held in the Princeton Reserve. Within three (3) business after the Effective Date, the Title Company shall effectuate the Escrow Instructions and the date upon which the Title Company remits payment to Princeton shall be the "Payment Date."
Settlement Effective Date	The Settlement Agreement shall become effective on the first day upon which all of the following conditions have been satisfied (the "Effective Date"): a. the execution of the Settlement Agreement by all Parties; b. the filing of a motion, mutually acceptable to the Parties, seeking the approval of the Settlement Agreement and directing the Title Company to release the Settlement Amount from the Princeton Reserve (the "Settlement Motion"); c. The entry of a final, non-appealable order[7] by the Bankruptcy Court, mutually acceptable to the Parties, approving the Settlement Motion (including, without limitation the provisions contained in paragraph 5 of the order attached as Exhibit B to the Settlement Agreement) and Escrow Instructions and inclusive of paragraph 6 thereof, a form of which is attached thereto as Exhibit B (the "Settlement Order"); d. Princeton and the Reorganized Debtors have delivered to the Title Company the Settlement Order and the Escrow Instructions, a copy of which

[7] For the avoidance of doubt, no Party to the Settlement Agreement will appeal the Settlement Order so long as the Settlement Agreement is approved by the Bankruptcy Court as drafted and executed.

	is attached hereto as Exhibit C; along with Escrow Instructions to the Title Company, which will leave the Indemnity Security Escrow on deposit with the Title Company; and e. Delivery to Title Company of the documents and evidence set forth in section 4 of the Settlement Agreement. f. Any of the foregoing provisions set forth in sections 3.a, 3.b, 3.c, 3.d, and 3.e of the Settlement Agreement may be waived upon the mutual written agreement of the Parties.
Conditions Precedent to Effective Date	1. Unless otherwise agreed to by the Parties in writing, on or before September 9, 2022, Princeton shall deliver to the Title Company: a. duly endorsed promissory notes (or lost note affidavits) as applicable, and other Transaction Documents (including official correspondence and further documents delivered pursuant to the terms of the Transaction Documents), the transactions related thereto and the Judgment, along with information showing calculation of the Judgment, but only insofar as any of such information is available to Princeton; b. notices of dismissal with prejudice in the Adversary Proceeding substantially in the form attached as Exhibit D to the Settlement Agreement, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date; c. notices of the assignment of the Promissory Notes and Judgment and substitutions of parties in any and all actions pending in any court (including actions against Natin Paul in his individual capacity) as such relate to the enforcement of the Promissory Notes or collection of the Judgment, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date, the form of

	which is attached to the Settlement Agreement as Exhibit E; and; d. notices withdrawing the Princeton Proofs of Claim with prejudice, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date, the form of which is attached to the Settlement Agreement as Exhibit F. 2. The Title Company shall provide notice to the Parties of its receipt of the items set forth in section 4.a hereof.
Further Assurances	In addition to the requirements of section 1.d in the Settlement Agreement, the Parties shall cooperate reasonably with each other and with the other's respective representatives in connection with any steps required to be taken as part of their respective obligations under the Settlement Agreement, and shall (a) furnish upon request to each other such further information reasonably requested by the Assignee from time to time for the purposes of enforcing its rights under the Transaction Documents and the Judgment; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as any other Party may reasonably request for the purpose of carrying out the transactions contemplated by the Settlement Agreement, including but not limited to, with respect to the Escrow Instructions. The Parties shall cooperate with each other as necessary to obtain all consents and authorizations of third-parties, if any, to make all filings with and give all notices to third-parties which may be necessary or reasonably required in order to carry out the intent of the Settlement Agreement and the transactions contemplated thereby.
Release by Great Value Parties	Effective upon the Payment Date, except as provided in Paragraph 8 of the Settlement Agreement, Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls (in whole or in part), the Great Value Parties, WCCG, GVS and all of their respective officers, directors, members, managers, employees, insurers, advisory board members, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (the "World Class Release Parties") hereby forever release

	Princeton, and each of its officers, directors, owners, members, managers, shareholders, subsidiaries, investment funds employees, insurers, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (the "Princeton Released Parties") from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in law or equity, whether known or unknown, liquidated or unliquidated, which the World Class Released Parties ever had, now have or hereafter can, shall or may have against any of the Princeton Released Parties for any matter, cause, thing, or reason whatsoever as of the Effective Date, including but not limited to, for or arising out of, or related to, the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, the Claim Objections, and other actual or potential claims that were or could have been asserted in the State Action, Adversary Proceeding, or the Princeton Proofs of Claim*; provided, however,* the foregoing release shall not (i) apply to any claim or cause of action against any third-party, including the Receiver (excluding the Princeton Released Parties) seeking damages or the return or recovery of monies, properties or assets otherwise taken, seized, transferred, conveyed or otherwise removed from such party's possession or control in connection with the efforts of any party to collect the Judgment on behalf of Princeton or (ii) result in the dismissal of any pending action or appeal of any action in which Princeton is a named party related to the Judgment (the "Appeal Actions"); *provided, further, however,* the World Class Release Parties shall not and shall be prohibited and enjoined from seeking any recovery (monetary or otherwise) from Princeton in connection with an Appeal Action.
Release by Princeton	Effective upon the Payment Date, except as provided in Paragraph 8 of the Settlement Agreement, Princeton on behalf of itself and on behalf of each of the Princeton Released Parties, each hereby forever release and discharge Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls (in whole or in part), the Great Value Parties, WCCG, GVS, the State Defendants, the Adversary Defendants and their respective officers, directors, members, managers, employees, insurers,

	advisory board members, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (collectively, the "World Class Released Parties") from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in law or equity, whether known or unknown, liquidated or unliquidated, which the Princeton Released Parties ever had, now have or hereafter can, shall or may have against any of the World Class Released Parties for any matter, cause, thing, or reason whatsoever as of the Effective Date, including but not limited to, for or arising out of, or related to, the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, the Claim Objections, and other actual or potential claims that were or could have been asserted in the State Action, Adversary Proceeding, or the Princeton Proofs of Claim save and except for the Indemnification Obligation.
Exceptions to Releases	Notwithstanding any language to the contrary in sections 6 and 7 of the Settlement Agreement, or any other provision of the Settlement Agreement, the Parties agree and acknowledge that the Settlement Agreement and the releases provided therein do not release or waive: (a) any obligation of a Party arising under or created by the Settlement Agreement; (b) the Indemnification Obligation; or (c) any present or future claim, appeal or litigation by the Great Value Parties against the Receiver or its agents, attorney, or representatives.
Fees and Costs	Each Party and Assignment Party shall bear its own fees and costs in connection with the Adversary Proceeding, the Settlement Motion and the Settlement Agreement. For the avoidance of doubt there shall be no other cost and expenses due to Princeton whatsoever other than the Settlement Amount, except any amounts that may be due under the Indemnification Obligation.
Time is of the Essence	Time is of the essence for all dates and/or time described in the Settlement Agreement.
Remedies	The Parties agree that irreparable damage would occur in the event of a breach of any provision of the Settlement Agreement that would result in the failure of the Effective Date and Payment Date to occur and that money damages or

	other legal remedies would not be an adequate remedy for any such damages. Accordingly, the Parties acknowledge and agree that in the event of any breach or threatened breach of the covenants, agreements and obligations set forth in the Settlement Agreement, each Party shall be entitled to any injunction or injunctions to prevent or restrain breaches or threatened breaches of the Settlement Agreement, and to specifically enforce the terms and provisions of the Settlement Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under the Settlement Agreement (including those conditions precedent set forth in section 4 thereof), in addition to any other remedy to which such party is entitled at law or in equity. Each Party hereby agrees not to raise any objections to the availability of specific performance to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under the Settlement Agreement. Each Party hereby waives (i) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate and (ii) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.
Settlement Term Sheet	No failure or delay by any party to the Settlement Agreement in exercising any right, power, or privilege thereunder or under that settlement term sheet dated August 22, 2022 (the "Settlement Term Sheet") shall operate as a waiver thereof, with all such rights, powers or privileges being expressly preserved, and any waiver of any breach of the provisions of the Settlement Agreement shall be without prejudice to any rights with respect to any other or further breach thereof or under the Settlement Term Sheet, which shall remain in force and effect.

RELIEF REQUESTED

18. By this Emergency Motion, the Defendants respectfully request entry of the Proposed Order approving the Settlement Agreement pursuant to Bankruptcy Rule 9019 and the related Escrow Instructions to the Title Company, and thereafter for the Court to enter the Order

of Dismissal.

BASIS FOR RELIEF

19. Through this Emergency Motion, the Defendants request this Court's approval of the Settlement Agreement. The Settlement Agreement evidences a business deal among the Parties, ending multiple contentious and expensive litigation proceedings, including the Adversary Proceeding, which all carry substantial business risk. The Settlement Agreement contemplates the resolution of all disputes among the Parties, thereby ending years' long disputes among Princeton and various Defendants.

20. Bankruptcy Rule 9019 authorizes bankruptcy courts to approve compromises and settlements. Ultimately, a compromise must be "fair, equitable, and in the best interest of the estate."[8] The decision to approve a compromise lies within the sound discretion of the bankruptcy court.[9] The Fifth Circuit has recognized that compromises are a "normal part of the process of reorganization . . . oftentimes desirable and wise methods of bringing to a close proceedings otherwise lengthy, complicated, and costly."[10]

21. In determining the reasonableness of a settlement, courts in the Fifth Circuit consider the following three factors: (a) "[t]he probability of success in [litigating the claim subject to settlement,] with due consideration for the uncertainty in fact and law; (b) [t]he complexity and likely duration of litigation and any attendant expense, inconvenience, and delay; and (c) [a]ll other factors bearing on the wisdom of the compromise."[11]

22. Factors "bearing on the wisdom of the compromise" include: (a) the paramount

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[8] *In re Roqumore*, 393 B.R. 474, 479 (Bankr. S.D. Tex. 2008) (citation omitted).

[9] *See In re AWECO, Inc.*, 725 F.2d 293, 297 (5th Cir. 1984).

[10] *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980) (emphasis added) (citing *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424–25 (1968)).

[11] *In re Cajun Elec. Power Coop.*, 119 F.3d 349, 356 (5th Cir. 1997); *Jackson Brewing*, 624 F.2d at 602.

interest of creditors, with proper deference to their reasonable views; and (b) the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.[12]

23. The Defendants bear the burden of establishing that the balance of the above factors leads to a fair and equitable compromise vis-à-vis the Settlement Agreement.[13] "The burden is not high"; rather, the Defendants "need only show that [their] decision falls within the 'range of reasonable litigation alternatives.'"[14]

24. Weighing the foregoing factors overwhelmingly demonstrates that the Settlement Agreement is reasonable and supports finding that the Parties' entry into and performance under the Settlement Agreement is in the best interests of creditors and other stakeholders. Accordingly, this Court should grant the Emergency Motion, and authorize the Parties to enter into and perform under the Settlement Agreement.

A. Probability of Success

25. In examining the probability of success in the litigation being compromised, courts look to the legal and evidentiary obstacles to litigating each claim.[15] The probability of success is measured against the "definitive, concrete and immediate benefit" that a settlement provides against the uncertainty and delay of litigation.[16] In deciding the probability of success in the litigation, the court is not required to conduct a "mini-trial" and decide the merits of the litigation,

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[12] *See In re Foster Mortg. Corp.*, 68 F.3d 914, 917-18 (5th Cir. 1995).

[13] *See In re Allied Properties, LLC*, 2007 WL 1849017, at *4 (citing *In re Lawrence & Erausquin, Inc.*, 124 B.R. 37, 38 (Bankr. N.D. Ohio 1990)); *see also In re GHR Companies, Inc.*, 50 B.R. 925, 931 (Bankr. D. Mass. 1985).

[14] *In re Allied Properties, LLC*, 2007 WL 1849017, at *4 (emphasis added) (citing *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983)); *see also In re Heritage Org., L.L.C.*, 375 B.R. 230, 282 (Bankr. N.D. Tex. 2007).

[15] *Hicks, Muse & Co. v. Brandt In re Healthco Int'l, Inc.*, 136 F.3d 45, 50 (1st Cir. 1998); *see also In re Allied Properties*, 2007 WL 1849017 at *4.

[16] *See In re Yacovi*, 411 F. App'x. 342, 346-47 (1st Cir. 2011) (citing *Healthco Int'l*, 136 F.3d at 50).

but rather to assess whether the settlement is within the range of reasonableness.[17]

26. In negotiating and considering the merits of the Settlement Agreement, the Parties considered all material disputes between Princeton and various Defendants in both the Adversary Proceeding and Texas District Court. If the Parties are permitted to prosecute their causes of action in the Adversary Proceeding, the Parties will incur significant expense to complete extensive discovery, retain expert witnesses, and prepare for a potentially long and contentious trial. And, while the Parties are confident in their positions, there is no certainty in the outcome.

27. Finally, even when one of the Parties ultimately prevails on the merits of their claims, any litigation has a high likelihood of appeal considering the amount-in-controversy at stake and issues involved, which would only further delay the Parties' ability to obtain relief. By entering into the Settlement Agreement, the Parties avoid the risk of not prevailing on their claims in the Adversary Proceeding, as well as potentially significant legal expenses.

B. Complexity of Litigation Involved and the Attendant Expense, Inconvenience, and Delay

28. As explained above, the Parties' likelihood of success in connection with the Adversary Proceeding is uncertain due to the complexity of the myriad factual and legal issues involved in both proceedings, which have been previewed in the Complaint, the Non-Debtor Defendants' motion to dismiss the Complaint, and Princeton's response to that motion. For example, the Complaint lists five different types of allegedly fraudulent transfers that purportedly occurred over the course of nearly a decade. Unraveling the allegations will be an expensive, lengthy, and document-intensive process. The settlement avoids such attendant expense and delay.

29. Indeed, in the absence of settlement, continued litigation of the Adversary

[17] *See In re Roqumore*, 393 B.R. at 480.

Proceeding will take years to reach a final resolution, after accounting for the time necessary to reach decisions on the merits and to work through any challenge or appellate processes. Such delay will subject the Parties to the economic overhang of these disputes and hinder the final resolution of these cases while generating significant legal expenses, and continue the uncertainty regarding whether Princeton will recover its Judgment from the Defendants. This sort of delay and uncertainty is unnecessary given the favorable settlement. For these reasons, the cost of the Settlement Agreement to each Party, especially the Defendants, is far outweighed by the benefit realized by ending this continuing contentious and expensive litigation, and gaining certainty regarding the Defendants' exposure to Princeton.

C. Other Factors Bearing on the Benefits of the Compromise

(1) *Interests of the Creditors*

30. The terms of the Settlement Agreement are fair, reasonable, and in the best interests of creditors and other stakeholders. The only potential creditors that have unresolved claims in the Bankruptcy Cases are Princeton and Seth Kretzer, the receiver (the "Receiver") for Great Value Storage, LLC and World Class Capital Group LLC.[18] But, through the Settlement Agreement, only one alleged creditor will remain – the Receiver. The Title Company is holding $3.5 million, plus an additional $822,000.00 of funds related to the Receiver's proofs of claim and administrative expense claim, in an escrow account pending the resolution of the Receiver's adversary proceeding, administrative expense claim, and/or proofs of claim. For the avoidance of doubt, nothing in the Settlement Agreement precludes or prevents the Receiver from seeking approval of his fees and expenses in the state court, which is the appropriate forum for the Receiver to seek approval of such fees and expenses. Indeed, as part of the resolution with Princeton, which

[18] Nothing herein shall be an admission that the Receiver is a creditor or has any interest in these cases.

will bring the receivership to a close, the Reorganized Debtors and WCH have agreed that should the Receiver agree to withdraw his proofs of claim and dismiss his adversary proceeding, the Reorganized Debtors and WCH agree that the funds being held by the Title Company on account of the Receiver's claims (*i.e.*, the $3.5 million) shall be expanded to be made available to satisfy any fee award in favor of the Receiver that is not otherwise satisfied in the underlying state court case, when such fee is determined by a final, non-appealable order in the Texas District Court that appointed the Receiver.[19] As a result, the Receiver is adequately insulated from any outcome related to how the Princeton Reserve is disbursed. The Defendants and all applicable parties reserve all rights as to any fee application and approval from the state court forum, and the expansion of the availability of the reserve moots any need for the Receiver to continue pursuing fraudulent transfer claims in this Court and any other court.

31. With respect to the other stakeholders, the Defendants and WCH, the Settlement Agreement provides immediate certainty with respect to the outcome of contentious and expensive litigation. The Settlement Agreement also permits the Defendants and WCH to reallocate the resources they were dedicating to the Adversary Proceeding toward the Receiver's adversary proceeding and concluding these chapter 11 cases. At bottom, this resolution inures to the benefit of all parties and stakeholders.

(2) *Arms-Length Bargaining*

32. The Settlement Agreement is the product of extensive negotiations between the Defendants, WCH, and Princeton. Each of the Parties has been represented by experienced professionals throughout the Settlement Agreement negotiations and has acted in its own economic

[19] WCH is the only party that could possibly be adversely affected by the expansion of the $3.5 million reserve, and WCH and the other Defendants consent to the same.

self-interest.[20] Consequently, this factor also weighs in favor of approving the Settlement Agreement.

33. Therefore, for the following reasons, the relief requested herein should be granted.

RESERVATION OF RIGHTS

34. The Defendants reserve their right to supplement or modify this Emergency Motion and to request additional relief or assert such further arguments as are, or may later become, available or apparent.

NOTICE

35. Notice of this Emergency Motion has been provided via ECF/CM to: (a) the Office of the U.S. Trustee for the Northern District of Texas; (b) Princeton, or counsel thereto; (c) the Receiver, or counsel thereto; (d) the United States Attorney's Office for the Northern District of Texas; (e) the Internal Revenue Service; (f) the state attorneys general for states in which the Debtors conducted business; (g) the Purchaser, or counsel thereto; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Defendants submit that, in light of the nature of the relief requested, no other or further notice need be given.

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[20] *See In re Chemtura Corp.*, 439 B.R. 561, 608 (Bankr. S.D.N.Y. 2010) (settlement met this factor, where "[n]o argument ha[d] been made, nor could any argument be made, that counsel who put the Settlement together were anything less than highly skilled in their craft…."); *see also In re Drexel Burnham Lambert Grp., Inc.*, 960 F.2d 285, 292-93 (2d Cir. 1992) (approving complex, multi-party settlement agreement where many parties were "trying to maximize their own recovery," through extensive arms-length negotiations").

WHEREFORE, for the reasons set forth herein, the Defendants respectfully request that the Court enter the Proposed Order and thereafter the Order of Dismissal.

DATED: September 2, 2022
Dallas, Texas

Respectfully submitted,
SQUIRE PATTON BOGGS (US) LLP

/s/ Jeffrey N. Rothleder

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CERTIFICATE OF CONFERENCE

This will certify that the Defendants have conferred with counsel for the United States Trustee regarding this Emergency Motion beginning on August 26, 2022, and that the United States Trustee reserves all rights with respect to this Emergency Motion. On September 2, 2022, the Defendants notified the Receiver before filing the Emergency Motion that, as discussed during the September 1, 2022 status conference, the Defendants would be filing the Emergency Motion and requesting the hearing schedule set by the Court—the Defendants have not yet received a response back from the Receiver. The Defendants have also conferred with counsel for Princeton, who has agreed to the filing of the Emergency Motion and the Court granting the relief requested therein.

/s/ Jeffrey N. Rothleder
Jeffrey N. Rothleder

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of September, 2022, I caused a true and correct copy of the foregoing to be filed and served through ECF notification upon all parties who receive notice in this matter pursuant to the Court's CM/ECF filing system.

/s/ Jeffrey N. Rothleder
Jeffrey N. Rothleder

EXHIBIT A

Proposed Order

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

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

ORDER GRANTING EMERGENCY MOTION PURSUANT TO BANKRUPTCY RULE 9019 FOR ENTRY OF AN ORDER APPROVING A SETTLEMENT AND COMPROMISE BETWEEN PRINCETON CAPITAL CORPORATION AND THE REORGANIZED DEBTORS

Upon consideration of the *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and*

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

the Reorganized Debtors (the "Emergency Motion")[2] requesting that the Court approve the Settlement Agreement[3] pursuant to Bankruptcy Rule 9019 and the related Escrow Instructions[4] to the Title Company, the Court (1) having considered the Emergency Motion; (2) finding that (a) notice of the Emergency Motion was good and sufficient upon the particular circumstances and that no other or further notice need be given, (b) the Emergency Motion is a core proceeding under 28 U.S.C. § 157(b), (c) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and (d) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (3) finding that the Parties demonstrated both (a) good, sufficient, and sound business purposes and justifications for the Settlement Agreement and the transactions, compromises, and releases provided therein, and (b) compelling circumstances for approval of the Settlement Agreement pursuant to Bankruptcy Rule 9019; (4) finding that the terms of the Settlement Agreement are fair and reasonable, falling above the lowest point in the range of reasonableness, and are in the best interests of the Parties and the Reorganized Debtors' stakeholders as a whole; (5) having weighed the probability of success in litigation, the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending to it, and taken into account the paramount interest of alleged creditors and, based on all of the foregoing, the Court has determined that the relief requested in the Emergency Motion is fair and equitable, in the best interests of the Parties, and should be approved in all respects; (6) finding that (a) in the absence of the Settlement Agreement, the Defendants face considerable litigation expense, risk, and delay, (b) the disputes between the Parties involve numerous legal and factual issues, and judicial resolution of these disputes will

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Emergency Motion or Settlement Agreement, as applicable.

[3] The Settlement Agreement is attached hereto as **Exhibit 1**.

[4] The Escrow Instructions are attached hereto as **Exhibit 2**.

require additional, extensive and costly briefing and discovery, (c) even if the Defendants were successful in litigating against any claims, a judgment obtained may be subject to appeal with no guarantee as to the ultimate outcome, (d) there is no doubt that the Parties' combined legal expenditures during a protracted litigation process would be substantial and further forestall any disbursement of the Princeton Reserve to any of the Parties, and (e) the Settlement Agreement resolves the Parties' disputes now without the need for additional costly, uncertain litigation; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Emergency Motion is hereby **GRANTED**.

2. The Settlement Agreement is approved in its entirety.

3. Notwithstanding anything to the contrary in the *Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1377] (the "Reinstatement Order"), including, but not limited to, paragraph 5(b) thereof, on the Effective Date, the Title Company shall wire (a) the Settlement Amount of $11,372,698.89 from the Princeton Reserve to Princeton and (b) $2,627,301.11 from the Princeton Reserve to the entity or party designated by the Defendants pursuant to this Order and the Escrow Instructions in a form substantially similar to the form attached hereto as **Exhibit 2**. The remainder of the Princeton Reserve, in the amount of $1 million, shall be distributed in accordance with those certain instructions annexed as **Exhibit A**[5] to the Settlement Agreement (the "Indemnity Security Escrow Release Instructions"). For the avoidance of any doubt, this Order shall be deemed a final, non-appealable order for purposes of paragraph 5(b) of the Reinstatement Order.

[5] The Settlement Agreement that will be attached to the final order shall have the final version of the Indemnity Security Escrow Release Instructions attached thereto as **Exhibit A**.

4. The Escrow Instructions attached hereto as Exhibit 2 are approved by this Court, and the Title Company shall comply with this Order and the Escrow Instructions no later than one (1) business day after receipt of the Escrow Instructions sent to the Title Company by counsel for Princeton via hand delivery. The hand delivered Escrow Instructions shall be signed by the hand of Judith W. Ross or Frances Smith, counsel for Princeton. The hand delivered Escrow Instructions shall be signed digitally on behalf of the Defendants. The hand delivered Escrow Instructions shall be substantially identical to the Escrow Instructions attached to this Order as **Exhibit 2**. The hand delivered Escrow Instructions shall include copies of this Order and the Reinstatement Order, entered in the chapter 11 cases, both physically attached to the hand delivered Escrow Instructions. If any of the requirements of this Paragraph 4 are not fully satisfied, then the Title Company is directed by this Court to disburse no funds from the Princeton Reserve; *provided, however*, that the Indemnity Security Escrow Release Instructions shall not be subject to this Paragraph 4. In the event that all requirements of this Paragraph 4 are fully satisfied, then immediately upon receipt of the hand delivered Escrow Instructions, the Title Company shall notify counsel for Princeton and the Defendants via email (at email addresses included in the Escrow Instructions) that the Title Company received the hand delivered Escrow Instructions in compliance with this Paragraph 4, and counsel for Princeton and Defendants shall then immediately provide the Title Company with their respective wire instructions via email in accordance with the Escrow Instructions.

5. Notwithstanding anything in the Reinstatement Order to the contrary, it is hereby ordered that Mr. Natin Paul, any family member of Mr. Natin Paul, any affiliate of Mr. Natin Paul, and any person acting at Mr. Natin Paul's direction, shall not seek removal of or to remove from the Title Company the Remaining Reserves (as defined in the Reinstatement Order) (exclusive of

the Princeton Reserve that is to be released pursuant to the term of this Order) until further Order of this Court.

6. Notwithstanding the foregoing, the funds reserved for the Receiver Claims may be disbursed upon (1) the filing in this Court of a final, non-appealable order of the Texas state district court in the *Princeton Capital Corporation vs Great Value Storage LLC, et. al.* pending in the 165th District Court of Harris County, Texas, case no. 2019-18855 (the "Princeton Lawsuit") awarding the Receiver fees and expenses pursuant to the Order Appointing Receiver in the Princeton Lawsuit (the "Receiver Award") and (2) a subsequent final, non-appealable Order of this Court directing the Title Company to disburse funds in the amount of the Receiver Award to the Receiver less any amounts that the Receiver has collected that the state court approves the Receiver to apply to his total fees and expenses in connection with the Princeton Lawsuit; *provided, however*, that this paragraph shall only be effective if the Receiver files a motion to dismiss adversary proceeding in this Case, with prejudice and files a notice of withdrawal of any proofs of claims with prejudice the seek to collect the Receiver Award, within three business days of the entry of this Order. The Reinstatement Order shall remain in full force and affect except as modified herein.

7. Notice of the Emergency Motion as provided therein shall be deemed good and sufficient notice of such Emergency Motion under the circumstances and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

8. Notwithstanding the applicability of any Bankruptcy Rules, the terms and conditions of this Order shall not be stayed and shall be immediately effective and enforceable upon its entry.

9. The Defendants are authorized to take all such actions as are necessary or

appropriate to implement the terms of this Order.

10. This Court shall retain jurisdiction over all matters arising from or related to the interpretation or implementation of this Order.

 # # # END OF ORDER # # #

Exhibit 1

Settlement Agreement

EXECUTION VERSION

SETTLEMENT, ASSIGNMENT AND ACCEPTANCE AGREEMENT

This SETTLEMENT, ASSIGNMENT AND ACCEPTANCE AGREEMENT (the "Agreement") is made as of this 2nd day of September 2022 (the "Execution Date"), by and between (i) Natin Paul, (ii) the Reorganized Debtors (as defined below), (iii) World Class Holdings I, LLC ("WCH") (iv) the Adversary Defendants (as defined below), (v) Princeton Capital Corporation ("Princeton" or "Assignor"), and (vi) Phoenix Lending, LLC (the "Assignee"). Natin Paul, the Reorganized Debtors, WCH and the Adversary Defendants are referred to collectively as the "Great Value Parties"), The Great Value Parties and Princeton are referred to collectively as the "Settlement Parties" and the Assignor and the Assignee are referred to collectively as the "Assignment Parties," together with the Settlement Parties, the "Parties."

RECITALS

WHEREAS, Capital Point Partners II, L.P. ("CPP"), a predecessor-in-interest to the Assignor, Great Value Storage, LLC ("Great Value"), and World Class Capital Group, LLC ("WCCG") are parties to that certain Note Purchase Agreement, dated July 31, 2012, as amended from time to time (so amended, the "Note Purchase Agreement");

WHEREAS, pursuant to the Note Purchase Agreement, Great Value issued to CPP (a) that certain Senior Secured Promissory Note, dated July 31, 2012 ("Note A") in the principal amount of $2,000,000, (b) that certain Senior Secured Promissory Note, dated July 31, 2012 ("Note B") in the principal amount of $500,000 and (c) that certain Senior Secured Promissory Note, dated November 12, 2014 ("Note C" and together with Note A and Note B, the "Notes") in the principal amount of $3,100,000. The Note Purchase Agreement, the Notes and each other document, agreement, instrument or certificate executed in connection therewith or pursuant thereto are hereinafter referred to as the "Transaction Documents."

WHEREAS, Pursuant to that certain Assignment and Acceptance Agreement, dated March 13, 2015, CPP assigned all of its rights to and obligations under the Transaction Documents to Princeton.

WHEREAS, Princeton asserted a default under the Transaction Documents and on March 14, 2019, commenced an action styled as *Princeton Capital Corporation vs Great Value Storage LLC, et al.* pending in the 165th District Court of Harris County, Texas (the "Texas District Court"), Case No. 2019-18855 (the "State Action").

WHEREAS, the defendants in the State Action are Great Value, WCCG and Natin Paul, in his individual capacity (the "State Defendants");

WHEREAS, Princeton alleged causes of action against the State Defendants in the State Action for, among other things, breach of the Notes (the "State Claims");

WHEREAS, on March 9, 2021, the Texas District Court ordered that Great Value and World Class were liable to Assignor for contract damages of $9,759,713.84 and attorneys' fees of $150,887.50 (the "Judgment").

WHEREAS, certain of the parties against whom the Judgment was entered have appealed the Judgment.

WHEREAS, after the entry of the Judgment, Princeton obtained the appointment of Seth Kretzer, as receiver for GVS and WCCG (the "Receiver"); however, as of the Execution Date, the Receiver has made no distribution to Princeton on account of the Judgment.

WHEREAS, on June 17, 2021 and June 23, 2021, GVS Texas Holdings I, LLC and certain of its affiliates (collectively, the "Reorganized Debtors")[1] each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court");

WHEREAS, the Reorganized Debtors' bankruptcy cases are being jointly administered under Case No. 21-31121-MVL (the "Bankruptcy Cases");

WHEREAS, in connection with the Promissory Notes and the Judgment, Princeton filed the following proofs of claim in the Bankruptcy Cases: (i) Claim No. 119-8 filed against GVS Portfolio I B, LLC; (ii) Claim No. 120-4 filed against GVS Portfolio I, LLC; (iii) Claim No. 121-78 filed against GVS Texas Holdings I, LLC; (iv) Claim No. 122-32 filed against GVS Texas Holdings II, LLC; (v) Claim No. 123-12 filed against GVS Ohio Holdings I, LLC; (vi) Claim No. 124-10 filed against GVS Ohio Holdings II, LLC; (vii) Claim No. 125-10 filed against WCH Mississippi Storage Portfolio I, LLC; (viii) Claim No. 126-6 filed against GVS Nevada Holdings I, LLC; (ix) Claim No. 127-7 filed against GVS Missouri Holdings I, LLC; (x) Claim No. 128-9 filed against New York Holdings I, LLC; (xi) Claim No. 129-8 filed against GVS Indiana Holdings I, LLC; (xii) Claim No. 130-7 filed against GVS Illinois Holdings I, LLC; (xiii) Claim No. 131-13 filed against GVS Tennessee Holdings I, LLC; (xix) Claim No. 132-7 filed against GVS Colorado Holdings I, LLC; and (xx) Claim No. 164-2 filed against GVS Portfolio I C, LLC (collectively, the "Princeton Proofs of Claim");

WHEREAS, WCH and the Reorganized Debtors each filed objections to the Princeton Proofs of Claim in the Bankruptcy Cases (collectively the "Claim Objections");

WHEREAS, on April 27, 2022, Princeton commenced an adversary proceeding in the Bankruptcy Court captioned *Princeton Capital Corporation v. GVS Texas Holdings I, LLC, et al*, Adv. Proceeding No. 22-03043 (the "Adversary Proceeding") alleging causes of action against the Adversary Defendants[2] (defined below) for, among other things, fraudulent transfer and breach of

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[1] The Reorganized Debtors in the chapter 11 cases are: GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; and GVS Colorado Holdings I, LLC.

[2] The defendants in the Adversary Proceeding are GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I,

contract, (together with all causes of action in the Adversary Proceeding, the "AP Claims");

WHEREAS, certain of the Adversary Defendants have moved to dismiss the Complaint filed by Princeton that commenced the Adversary Proceeding due to, *inter alia*, the failure to state a claim upon which relief can be granted and the lack of jurisdiction of the Bankruptcy Court over the matter;

WHEREAS, recognizing the dispute between Princeton, the Reorganized Debtors and the other Adversary Defendants, pursuant to the *Stipulation and Agreed Order with World Class Holdings I, LLC* [Docket No. 873-B] filed in the Bankruptcy Cases, the Reorganized Debtors established a $15 million reserve for Princeton's outstanding claims (the "Princeton Reserve"), which is held in trust by Fidelity National Title (the "Title Company") pursuant to an escrow agreement and an Order of the Bankruptcy Court that does not permit disbursement of the Princeton Reserve absent a final, non-appealable order of the Bankruptcy Court or another court of competent jurisdiction;

WHEREAS, on August 22, 2022, Princeton and the Great Value Parties executed that certain settlement term sheet providing for the resolution of claims and issues between such parties and separately contemplated the negotiation and execution of a note purchase agreement in furtherance of that resolution. The terms and conditions in this Agreement are the culmination of the negotiations over such note purchase agreement and is new and separate from the settlement agreement discussed in the term sheet;

WHEREAS, the Parties have agreed to resolve, settle, and compromise all claims, demands, and differences between them, including, but not limited to, relating to the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, and the Claim Objections pursuant to the terms of this Agreement.

WHEREAS, as part of the resolution of the claims set forth in this Agreement, Princeton wishes to assign all of its rights to and obligations under the Transaction Documents and the Judgment to the Assignee on the terms and subject to the conditions set forth herein and the Assignee wishes to accept assignment of such rights and to assume such obligations from the Assignor on such terms and subject to such conditions.

LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; GVS Colorado Holdings I, LLC; World Class Capital Group, LLC; Great Value Storage, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC; WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; WC Kansas City Storage GP, LLP; and John Does (collectively, the "Adversary Defendants").

NOW THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the Parties agree as follows:

1. **Note and Judgment Assignment and Acceptance**.

a. Agreement of Assignor and Assignee.

i. Upon the receipt by Assignor of the Settlement Payment in good funds, the Assignor hereby sells, transfers, conveys and assigns to the Assignee, and the Assignee hereby purchases, accepts, assumes, and undertakes from the Assignor all right and title to all rights, benefits, obligations, liabilities, and indemnities of the Assignor under and in connection with the (i) the Note Purchase Agreement, (ii) the Notes and (iii) the Judgment.

ii. Upon the receipt by Assignor of the Settlement Payment in good funds, the Assignor hereby sells, transfers, conveys and assigns to the Assignee and the Assignee hereby accepts, assumes, and undertakes from the Assignor (i) all right and title to all rights, benefits, obligations, liabilities, and indemnities of the Assignor under and in connection with the other Transaction Documents and the Judgment, and (ii) except to the extent released pursuant to the provisions of this Agreement, all claims, suits, causes of action, and any other right of the Assignor against any person, whether known or unknown, arising under or in connection with any or each of the Transaction Documents, including, but not limited to, the Judgment and any and all contract claims, commercial tort claims, malpractice claims, statutory claims, and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above. For the avoidance of doubt, the parties hereto acknowledge and agree that the Assignor's right and title to all rights and benefits under the Final Judgment Order signed by Judge Ursula Hall on March 4, 2021 in *Princeton Capital Corporation v. Great Value Storage, LLC, World Class Capital Group, LLC and Natin Paul* are included in item (ii) of the foregoing.

iii. With effect on and after the Effective Date (as defined below), the Assignee shall be party to the Transaction Documents and succeed to all of the rights and be obligated to perform all of the obligations of the Assignor under the Transaction Documents and the Judgment. The Assignee agrees that on and after the Effective Date it will perform all obligations which by the terms of the

Transaction Documents are required to be performed by it thereunder.

b. Representations, Warranties and Covenants of Assignee and Assignor.

i. The Assignor represents, warrants and covenants as of the Execution Date and the date when this Agreement becomes effective pursuant to section 3 herein (the "Effective Date") that:

(a) it is the legal and beneficial owners of the interests being assigned by the Assignor hereunder and that such interests are free and clear of any lien or other adverse claim;

(b) it is duly organized and existing and it has the full power and authority to take, and have taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by the Assignor in connection with this Agreement and to fulfill its obligations hereunder;

(c) no notices to, or consents, authorizations, or approvals of, any person are required (other than any already given or obtained and still in full force and effect) for its due execution, delivery, and performance of this Agreement, and apart from any agreements or undertakings or filings required by the Transaction Documents, no further action by, or notice to, or filing with, any person is required for such execution, delivery, or performance;

(d) this Agreement has been duly executed and delivered by the Assignor and constitutes the legal, valid, and binding obligation of the Assignor, enforceable against the Assignor in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization, and other laws of general application relating to or affecting creditors' rights and to general equitable principles;

(e) the Assignor has received no distributions or payments in satisfaction of the Judgment from the Receiver, is not a party to or beneficiary of any agreements made with or by the Receiver and, after the Execution Date and the Assignor shall not accept any distributions or payments in satisfaction of the Judgment or make any other agreements with the Receiver in satisfaction of the Judgment or in relation to any fees or expenses that may be determined payable to the Receiver, unless otherwise agreed to by the Parties;

(f) unless compelled to do so by a court of competent jurisdiction, the Assignor agrees it will make no statement regarding (i) any motion by the Assignee to terminate the receivership or (ii) the amount of fees to be awarded to the Receiver ;

(g) the Assignor shall not take or support any action adverse to the World Class Release Parties in the Bankruptcy Court or any other court related to this Agreement, the Judgment or the settlement of disputes between the Settlement Parties unless such action relates to the enforcement of this Agreement including any provision hereof;

(h) the Assignor makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition, or statements of Great Value or World Class, or the performance or observance by Great Value or World Class, of any of its obligations under the Transaction Documents or any other instrument or document furnished in connection therewith.

ii. The Assignee represents, warrants and covenants as of the Execution Date and the Effective Date that:

(a) it is duly organized and existing and has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder;

(b) no notices to, or consents, authorizations, or approvals of, any person are required (other than any already given or obtained and still in full force and effect) for its due execution, delivery, and performance of this Agreement; and apart from any agreements or undertakings or filings required by the Transaction Documents, no further action by, or notice to, or filing with, any person is required of them for such execution, delivery, or performance;

(c) this Agreement has been duly executed and delivered by the Assignee and constitutes the legal, valid, and binding obligation of the Assignee, enforceable against the Assignee in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium,

reorganization, and other laws of general application relating to or affecting creditors' rights and to general equitable principles;

(d) the Assignee has been advised that none of the Notes have been registered under the Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available;

(e) the Assignee is aware that the Assignor is under no obligation to effect any such registration with respect to the Notes or to file for or comply with any exemption from registration;

(f) the Assignee is receiving the Notes from the Assignor for its own account and not with a view to, or for resale in connection with, the distribution thereof in violation of the Securities Act; and

(g) the Assignee has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of an investment in the Notes, is able to incur a complete loss of such investment in the Notes and to bear the economic risk of such investment for an indefinite period of time.

c. Subject to the indemnification provisions in section 1.e, Assignee does not assume any liability or responsibility for any action taken by Assignor in connection with the Notes, the Transaction Documents or the Judgment taken prior to the Effective Date, with all such liabilities and responsibilities remaining with the Assignor.

d. The Assignor and the Assignee hereby agree to promptly execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Agreement, including the delivery of any notices or other documents or instruments to Great Value and World Class, which may be required in connection with this Agreement under the Transaction Documents.

e. Assignee and the Reorganized Debtors hereby indemnify and hold Assignor harmless from any and all of the following, which only arise out of the assignment of the Note and assignment of the Judgment as set forth in section 1 hereof: (i) all claims, liabilities, damages, judgments, fines and penalties asserted by the Receiver or Great Value Parties, including the Adversary Defendants ("Losses") that are determined by entry of a final, non-appealable order by the Bankruptcy Court or a court of competent jurisdiction to be Losses, except to the extent the

same shall have been finally adjudicated in a court of competent jurisdiction to have been directly caused by Assignor's gross negligence, fraud or willful misconduct; and (ii) reasonable expenses, including out-of-pocket, incidental expenses and reasonable legal fees and expenses incurred in connection with Losses ("Expenses" and together with the Losses, the "Indemnification Obligation"). The Indemnification Obligation shall be secured by $1 million dollars of the funds retained in the Princeton Reserve after payment of the Settlement Amount to Princeton, as contemplated by this Agreement (the "Indemnification Security").[3] The Indemnification Security shall be held by the Title Company and shall be disbursed either (i) upon submission thereto of joint written instructions executed by Princeton and the Great Value Parties, a form of which is attached hereto as Exhibit A or (ii) submission to the Title Company of a final, non-appealable order of the Bankruptcy Court authorizing and directing payment of all or portions of the Indemnification Obligation. Notwithstanding anything to the contrary in this section 1.e, the Indemnification Obligation shall not be applicable or enforceable against the Assignee or any Great Value Party to the extent any of the Indemnification Obligation is incurred as a result of the consent, acquiescence or other affirmative action of the Assignor. Notwithstanding anything to the contrary in this section 1.e, Princeton may periodically seek payment on account of an Expenses by filing a request for such payment to the Bankruptcy Court; *provided, however,* Assignor and the Great Value Parties reserve all rights with respect to any such request.

f. Assignor will be provided copies of all statements prepared by the Title Company when generated by the Title Company.

2. **Settlement Payment**. As consideration for the sale, assignment and transfer of the Notes and the Judgment and the in exchange for the dismissal of the actions described in section 4 and the releases described in sections 6 and 7 of this Agreement, upon the Effective Date, Assignee shall pay, or cause to be paid, to Princeton the amount of $11,372,698.89 (the "Settlement Amount") from funds currently held in the Princeton Reserve. Within three (3) business after the Effective Date, the Title Company shall effectuate the Escrow Instructions and the date upon which the Title Company remits payment to Princeton shall be the "Payment Date."

3. **Settlement Effective Date**. This Agreement shall become effective on the first day upon which all of the following conditions have been satisfied (the "Effective Date"):

a. the execution of this Agreement by all Parties;

b. the filing of a motion, mutually acceptable to the Parties, seeking the approval of this Agreement and directing the Title Company to release the Settlement Amount from the Princeton Reserve (the "Settlement Motion")

c. The entry of a final, non-appealable Order[4] by the Bankruptcy Court, mutually acceptable to the Parties, approving the Motion (including, without limitation the

[3] For the avoidance of doubt, should a court of competent jurisdiction find that entry into this Agreement shall be deemed to be gross negligence, fraud or willful misconduct against the Receiver, no exclusion for such gross negligence, fraud or willful misconduct shall be applicable.

[4] For the avoidance of doubt, no Party hereto will appeal the Settlement Order so long as this Agreement is approved by the Bankruptcy Court as drafted and executed.

provisions contained in paragraph 5 of the order attached as Exhibit B) and Escrow Instructions, a form of which is attached hereto as Exhibit B (the "Settlement Order");

d. Princeton and the Reorganized Debtors have delivered to the Title Company the Settlement Order and the Escrow Instructions, a copy of which is attached hereto as Exhibit C; along with Escrow Instructions to the Title Company, which will leave the Indemnity Security Escrow on deposit with the Title Company; and

e. Delivery to Title Company of the documents and evidence set forth in section 4 hereof.

f. Any of the foregoing provisions set forth in sections 3.a, 3.b, 3.c, 3.d, 3.e hereof may be waived upon the mutual written agreement of the Parties.

4. **Conditions Precedent to Effective Date**.

a. Unless otherwise agreed to by the Parties in writing, on or before September 9, 2022, Princeton shall deliver to the Title Company:

i. duly endorsed promissory notes (or lost note affidavits) as applicable, and other Transaction Documents (including official correspondence and further documents delivered pursuant to the terms of the Transaction Documents), the transactions related thereto and the Judgment, along with information showing calculation of the Judgment, but only insofar as any of such information is available to Princeton;

ii. notices of dismissal with prejudice in the Adversary Proceeding substantially in the form attached hereto as Exhibit D, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date;

iii. notices of the assignment of the Notes and Judgment and substitutions of parties in any and all actions pending in any court (including actions against Natin Paul in his individual capacity) as such relate to the enforcement of the Notes or collection of the Judgment, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date, the form of which is attached hereto as Exhibit E; and

iv. notices withdrawing the Princeton Proofs of Claim with prejudice which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date, the form of which is attached hereto as Exhibit F.

b. The Title Company shall provide notice to the Parties of its receipt of the items set forth in section 4.a hereof.

5. **Further Assurances**. In addition to the requirements of section 1.d hereof, the Parties shall cooperate reasonably with each other and with the other's respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information reasonably requested by the Assignee from time to time for the purposes of enforcing its rights under the Transaction Documents and the Judgment; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as any other Party may reasonably request for the purpose of carrying out the transactions contemplated by this Agreement, including but not limited to, with respect to the Escrow Instructions. The Parties shall cooperate with each other as necessary to obtain all consents and authorizations of third-parties, if any, to make all filings with and give all notices to third-parties which may be necessary or reasonably required in order to carry out the intent of this Agreement and the transactions contemplated hereby.

6. **Release by the Great Value Parties**. Effective upon the Payment Date, except as provided in Paragraph 8 or herein, Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls (in whole or in part), the Great Value Parties, WCCG, GVS and all of their respective officers, directors, members, managers, employees, insurers, advisory board members, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (the "World Class Release Parties") hereby forever release Princeton, and each of its officers, directors, owners, members, managers, shareholders, subsidiaries, investment funds employees, insurers, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (the "Princeton Released Parties") from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in law or equity, whether known or unknown, liquidated or unliquidated, which the World Class Released Parties ever had, now have or hereafter can, shall or may have against any of the Princeton Released Parties for any matter, cause, thing, or reason whatsoever as of the Effective Date, including but not limited to, for or arising out of, or related to, the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, the Claim Objections, and other actual or potential claims that were or could have been asserted in the State Action, Adversary Proceeding, or the Princeton Proofs of Claim*; provided, however,* the foregoing release shall not (i) apply to any claim or cause of action against any third-party, including the Receiver (excluding the Princeton Released Parties) seeking damages or the return or recovery of monies, properties or assets otherwise taken, seized, transferred, conveyed or otherwise removed from such party's possession or control in connection with the efforts of any party to collect the Judgment on behalf of Princeton or (ii) result in the dismissal of any pending action or appeal of any action in which Princeton is a named party related to the Judgment (the "Appeal Actions"); *provided, further, however,* the World Class Release Parties shall not and shall be prohibited and enjoined from seeking any recovery (monetary or otherwise) from Princeton in connection with an Appeal Action.

7. **Release by Princeton**. Effective upon the Payment Date, except as provided in Paragraph 8, Princeton on behalf of itself and on behalf of each of the Princeton Released Parties, each hereby forever release and discharge Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls (in whole or in part), the Great Value Parties, WCCG, GVS, the State Defendants, the Adversary Defendants and their respective officers, directors, members, managers, employees, insurers, advisory board members, and each of their

successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (collectively, the "World Class Released Parties") from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in law or equity, whether known or unknown, liquidated or unliquidated, which the Princeton Released Parties ever had, now have or hereafter can, shall or may have against any of the World Class Released Parties for any matter, cause, thing, or reason whatsoever as of the Effective Date, including but not limited to, for or arising out of, or related to, the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, the Claim Objections, and other actual or potential claims that were or could have been asserted in the State Action, Adversary Proceeding, or the Princeton Proofs of Claim save and except for the Indemnification Obligation.

8. **Exceptions to Releases**. Notwithstanding any language to the contrary in sections 6, and 7 hereof, or any other provision of this Agreement, the Parties agree and acknowledge that this Agreement and the releases provided herein does not release or waive: (a) any obligation of a Party arising under or created by this Agreement; (b) the Indemnification Obligation; or (c) any present or future claim, appeal or litigation by the Great Value Parties against the Receiver or its agents, attorney, or representatives.

9. **Fees and Costs**. Each Party and Assignment Party shall bear its own fees and costs in connection with the Adversary Proceeding, the Settlement Motion and this Agreement. For the avoidance of doubt there shall be no other cost and expenses due to Princeton whatsoever other than the Settlement Amount, except any amounts that may be due under the Indemnification Obligation.

10. **Consultation with Counsel**. Each of the Parties has freely and voluntarily entered into this Agreement after an adequate opportunity and sufficient period of time to review, analyze and discuss all terms and conditions of this Agreement and all factual and legal matters relevant hereto with its counsel. Each of the Parties further acknowledges that it has actively and with full understanding participated in the negotiation of this Agreement and that this Agreement has been negotiated, prepared and executed without fraud, duress, undue influence or coercion of any kind or nature whatsoever having been exerted by or imposed upon any party to this Agreement.

11. **No Assignment**. No Party has assigned any of its claims, rights, and/or remedies arising under or relating in any way to the litigation being resolved hereby or associated property to any third party.

12. **No Admission of Wrongdoing**. This Agreement constitutes a compromise of disputes between the Parties. Nothing contained herein shall constitute or be deemed to be an admission by any Party as to any matter unless specifically stated herein. Nothing in this Agreement, nor any of the negotiations or proceedings connected with the Agreement, nor any of the documents or statements contained or referred to therein shall be offered or received against any Party in any litigation as evidence of, or be construed as or be deemed to be evidence of, any concession or admission by any Party with respect to the truth of any fact alleged by any Party

against the other or the validity of any claim or defense that has been or could have been asserted in any proceeding or litigation involving the Parties.

13. **Time is of the Essence.** Time is of the essence for all dates and/or time described in this this Agreement.

14. **Remedies**. The Parties agree that irreparable damage would occur in the event of a breach of any provision of this Agreement that would result in the failure of the Effective Date and Payment Date to occur and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the Parties acknowledge and agree that in the event of any breach or threatened breach of the covenants, agreements and obligations set forth in this Agreement, each Party shall be entitled to any injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under this Agreement (including those conditions precedent set forth in section 4 hereof), in addition to any other remedy to which such party is entitled at law or in equity. Each Party hereby agrees not to raise any objections to the availability of specific performance to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under this Agreement. Each Party hereby waives (i) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate and (ii) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.

15. **Miscellaneous**.

a. Each of the Parties acknowledges, represents, and agrees that no promise, inducement or consideration has been offered or promised to any Party except as expressly set forth herein.

b. This Agreement is executed without reliance upon any statement or representation by any other Party or other Party's attorneys or representatives concerning the nature and extent of any claims and/or damages or legal liability therefor.

c. No failure or delay by any party hereto in exercising any right, power, or privilege hereunder or under that settlement term sheet dated August 22, 2022 (the "Settlement Term Sheet") shall operate as a waiver thereof, with all such rights, powers or privileges being expressly preserved, and any waiver of any breach of the provisions of this Agreement shall be without prejudice to any rights with respect to any other or further breach thereof or under the Settlement Term Sheet, which shall remain in force and effect.

d. All payments made hereunder shall be made without any set-off or counterclaim.

e. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of this Agreement by telefacsimile, electronic mail, or by any other electronic form of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement.

Signatures exchanged by email or facsimile transmission shall be deemed original signatures for all purposes and shall indicate and evidence such Party's final and fully-enforceable agreement to the terms of this Agreement.

f. This Agreement constitutes the final and fully-integrated agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral and written statements, understandings, and agreements between them or their counsel regarding the subject matter hereof. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

g. This Agreement shall be governed by the laws of the State of Texas without regard to any choice of law analysis that might call for application of some different law. The Parties each irrevocably submits to the non-exclusive jurisdiction and venue of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division over any suit, action, or proceeding arising out of or relating to any dispute and irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such court. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

h. This Agreement may not be modified except in a writing signed by each of the Parties and no Party shall be entitled to rely on any other manner of attempted modification, which shall be void (and not merely voidable).

i. No Party has assigned or purported to assign any claim that otherwise would be released or discharged by this Agreement.

j. The captions of Sections herein are intended for convenience only and shall not be used in any way to interpret the contents of such Section.

k. In the event of any dispute between the parties arising out of, under, or in connection with this Agreement, the Transaction Documents, any related documents and agreements, or any course of conduct, course of dealing, or statements (whether oral or written) (collectively, the "Disputes"), the prevailing party shall be entitled to recover all of its reasonable costs and attorneys' fees incurred in such dispute, in addition to all other sums that it may be entitled.

l. This Agreement is enforceable regardless of whether or not the Appeal Actions are decided in favor of any or all of the Great Value Parties.

m. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON ANY DISPUTE.

16. **Authority**. Each Party and each signatory below represents that the signatory has all necessary authority to enter into the terms of this Agreement on behalf of the Party for which she or he is signing and to bind that Party to the terms of this Agreement. The Parties acknowledge that the other Party is specifically relying on these representations in entering into this Agreement and that the

Parties' respective signatories have apparent and inherent authority to bind the Parties to the terms of this Agreement.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

NATIN PAUL, ON BEHALF OF HIMSELF INDIVIDUALLY AND ON BEHALF OF ALL ENTITIES THAT HE EITHER OWNS OR CONTROL (IN WHOLE OR IN PART)

Name: Natin Paul
Title: Authorized Representative
Date: September 2 , 2022

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

NATIN PAUL, ON BEHALF OF HIMSELF INDIVIDUALLY AND ON BEHALF OF ALL ADVERSARY DEFENDANTS

Name: Natin Paul
Title: Authorized Representative
Date: September 2, 2022

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

NATIN PAUL ON BEHALF OF THE REORGANIZED DEBTORS

Name: Natin Paul
Title: Manager
Date: September 2, 2022

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

WORLD CLASS HOLDINGS I, LLC

Name: Natin Paul
Title: Manager
Date: September 2, 2022

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

PRINCETON CAPITAL CORPORATION ON BEHALF OF ITSELF AND THE PRINCETON RELEASED PARTIES

By: Mark S. DiSalvo
Title: Chief Executive Officer
Dated: September 2, 2022

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

PHOENIX LENDING, LLC

Name: Mickey Altman
Title: Vice President
Date: September 2, 2022

Exhibit A

Form of Indemnity Security Escrow Release Instructions

[To Be Submitted By Parties]

Exhibit B

Form of Settlement Order

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

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

ORDER GRANTING EMERGENCY MOTION PURSUANT TO BANKRUPTCY RULE 9019 FOR ENTRY OF AN ORDER APPROVING A SETTLEMENT AND COMPROMISE BETWEEN PRINCETON CAPITAL CORPORATION AND THE REORGANIZED DEBTORS

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

Upon consideration of the *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and the Reorganized Debtors* (the "Emergency Motion")[2] requesting that the Court approve the Settlement Agreement[3] pursuant to Bankruptcy Rule 9019 and the related Escrow Instructions[4] to the Title Company, the Court (1) having considered the Emergency Motion; (2) finding that (a) notice of the Emergency Motion was good and sufficient upon the particular circumstances and that no other or further notice need be given, (b) the Emergency Motion is a core proceeding under 28 U.S.C. § 157(b), (c) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and (d) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (3) finding that the Parties demonstrated both (a) good, sufficient, and sound business purposes and justifications for the Settlement Agreement and the transactions, compromises, and releases provided therein, and (b) compelling circumstances for approval of the Settlement Agreement pursuant to Bankruptcy Rule 9019; (4) finding that the terms of the Settlement Agreement are fair and reasonable, falling above the lowest point in the range of reasonableness, and are in the best interests of the Parties and the Reorganized Debtors' stakeholders as a whole; (5) having weighed the probability of success in litigation, the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending to it, and taken into account the paramount interest of alleged creditors and, based on all of the foregoing, the Court has determined that the relief requested in the Emergency Motion is fair and equitable, in the best interests of the Parties, and should be approved in all respects; (6) finding that (a) in the absence of the Settlement Agreement, the

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Emergency Motion or Settlement Agreement, as applicable.

[3] The Settlement Agreement is attached hereto as **Exhibit 1**.

[4] The Escrow Instructions are attached hereto as **Exhibit 2**.

Defendants face considerable litigation expense, risk, and delay, (b) the disputes between the Parties involve numerous legal and factual issues, and judicial resolution of these disputes will require additional, extensive and costly briefing and discovery, (c) even if the Defendants were successful in litigating against any claims, a judgment obtained may be subject to appeal with no guarantee as to the ultimate outcome, (d) there is no doubt that the Parties' combined legal expenditures during a protracted litigation process would be substantial and further forestall any disbursement of the Princeton Reserve to any of the Parties, and (e) the Settlement Agreement resolves the Parties' disputes now without the need for additional costly, uncertain litigation; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Emergency Motion is hereby **GRANTED**.

2. The Settlement Agreement is approved in its entirety.

3. Notwithstanding anything to the contrary in the *Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1377] (the "Reinstatement Order"), including, but not limited to, paragraph 5(b) thereof, on the Effective Date, the Title Company shall wire (a) the Settlement Amount of $11,372,698.89 from the Princeton Reserve to Princeton and (b) $2,627,301.11 from the Princeton Reserve to the entity or party designated by the Defendants pursuant to this Order and the Escrow Instructions in a form substantially similar to the form attached hereto as **Exhibit 2**. The remainder of the Princeton Reserve, in the amount of $1 million, shall be distributed in accordance with those certain instructions annexed as **Exhibit A**[5] to the Settlement Agreement (the "Indemnity Security Escrow Release Instructions"). For the avoidance of any doubt, this

[5] The Settlement Agreement that will be attached to the final order shall have the final version of the Indemnity Security Escrow Release Instructions attached thereto as **Exhibit A**.

Order shall be deemed a final, non-appealable order for purposes of paragraph 5(b) of the Reinstatement Order.

4. The Escrow Instructions attached hereto as Exhibit 2 are approved by this Court, and the Title Company shall comply with this Order and the Escrow Instructions no later than one (1) business day after receipt of the Escrow Instructions sent to the Title Company by counsel for Princeton via hand delivery. The hand delivered Escrow Instructions shall be signed by the hand of Judith W. Ross or Frances Smith, counsel for Princeton. The hand delivered Escrow Instructions shall be signed digitally on behalf of the Defendants. The hand delivered Escrow Instructions shall be substantially identical to the Escrow Instructions attached to this Order as **Exhibit 2**. The hand delivered Escrow Instructions shall include copies of this Order and the Reinstatement Order, entered in the chapter 11 cases, both physically attached to the hand delivered Escrow Instructions. If any of the requirements of this Paragraph 4 are not fully satisfied, then the Title Company is directed by this Court to disburse no funds from the Princeton Reserve; *provided, however*, that the Indemnity Security Escrow Release Instructions shall not be subject to this Paragraph 4. In the event that all requirements of this Paragraph 4 are fully satisfied, then immediately upon receipt of the hand delivered Escrow Instructions, the Title Company shall notify counsel for Princeton and the Defendants via email (at email addresses included in the Escrow Instructions) that the Title Company received the hand delivered Escrow Instructions in compliance with this Paragraph 4, and counsel for Princeton and Defendants shall then immediately provide the Title Company with their respective wire instructions via email in accordance with the Escrow Instructions.

5. Notwithstanding anything in the Reinstatement Order to the contrary, it is hereby ordered that Mr. Natin Paul, any family member of Mr. Natin Paul, any affiliate of Mr. Natin Paul,

and any person acting at Mr. Natin Paul's direction, shall not seek removal of or to remove from the Title Company the Remaining Reserves (as defined in the Reinstatement Order) (exclusive of the Princeton Reserve that is to be released pursuant to the term of this Order) until further Order of this Court.

6. Notwithstanding the foregoing, the funds reserved for the Receiver Claims may be disbursed upon (1) the filing in this Court of a final, non-appealable order of the Texas state district court in the *Princeton Capital Corporation vs Great Value Storage LLC, et. al.* pending in the 165th District Court of Harris County, Texas, case no. 2019-18855 (the "Princeton Lawsuit") awarding the Receiver fees and expenses pursuant to the Order Appointing Receiver in the Princeton Lawsuit (the "Receiver Award") and (2) a subsequent final, non-appealable Order of this Court directing the Title Company to disburse funds in the amount of the Receiver Award to the Receiver less any amounts that the Receiver has collected that the state court approves the Receiver to apply to his total fees and expenses in connection with the Princeton Lawsuit; *provided, however*, that this paragraph shall only be effective if the Receiver files a motion to dismiss adversary proceeding in this Case, with prejudice and files a notice of withdrawal of any proofs of claims with prejudice the seek to collect the Receiver Award, within three business days of the entry of this Order. The Reinstatement Order shall remain in full force and affect except as modified herein.

7. Notice of the Emergency Motion as provided therein shall be deemed good and sufficient notice of such Emergency Motion under the circumstances and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

8. Notwithstanding the applicability of any Bankruptcy Rules, the terms and conditions of this Order shall not be stayed and shall be immediately effective and enforceable

upon its entry.

9. The Defendants are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

10. This Court shall retain jurisdiction over all matters arising from or related to the interpretation or implementation of this Order.

 # # # END OF ORDER # #

Exhibit C

Form of Settlement Payment Escrow Release Instructions

[To Be Submitted By Parties]

Exhibit D

Form of Notice of Dismissal of Adversary Proceeding

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
Phone: 214-377-7879
Fax: 214-377-9409
Email: judith.ross@judithwross.com
Email: jessica.lewis@judithwross.com

COUNSEL FOR PRINCETON CAPITAL CORPORATION

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

In re:	§	**Chapter 11**
	§	
GVS TEXAS HOLDINGS I, LLC, *et al.*,[1]	§	**Case No. 21-31121-MVL**
	§	
Debtors.	§	**(Jointly Administered)**
	§	
	§	
PRINCETON CAPITAL CORPORATION,	§	
	§	**Adv. No. 22-03043**
Plaintiff,	§	
	§	
v.	§	
	§	
GVS TEXAS HOLDINGS I, LLC, *et al.*,[2]	§	

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408) (collectively, the "Reorganized Debtors"). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

[2] The Defendants in this adversary proceeding are: GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; GVS Colorado Holdings I, LLC; World Class Capital Group, LLC; Great Value Storage, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC;

Defendants.	§
	§
WORLD CLASS HOLDINGS I, LLC	§
	§
Intervenor.	§
	§

NOTICE OF DISMISSAL WITH PREJUDICE

PLEASE TAKE NOTICE THAT Princeton Capital Corporation, by its undersigned attorneys, in the above-captioned adversary proceeding (this "Adversary Proceeding"), dismisses this Adversary Proceeding with prejudice as ordered by the Court in the *Order of Dismissal of Adversary Proceeding* [Docket No. ___].

DATED: _____, 2022
Dallas, Texas

Respectfully submitted,

/s/ DRAFT
Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
Phone: 214-377-7879
Fax: 214-377-9409
Email: judith.ross@judithwross.com
Email: jessica.lewis@judithwross.com

COUNSEL FOR PRINCETON CAPITAL CORPORATION

WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; WC Kansas City Storage GP, LLP; and John Does.

CERTIFICATE OF SERVICE

I hereby certify that on this _____, 2022, I caused a true and correct copy of the foregoing to be filed and served through ECF notification upon all parties who receive notice in this matter pursuant to the Court's CM/ECF filing system.

/s/ DRAFT
Judith W. Ross

Exhibit E

Form of Notice of Assignment of Judgment and Substitution of Parties

[To Be Submitted By Parties]

Exhibit F

Form of Notice of Withdrawal of Proofs of Claim

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
Phone: 214-377-7879
Fax: 214-377-9409
Email: judith.ross@judithwross.com
Email: jessica.lewis@judithwross.com

COUNSEL FOR PRINCETON CAPITAL CORPORATION

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

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

NOTICE OF WITHDRAWAL OF PROOFS OF CLAIM

PLEASE TAKE NOTICE THAT Princeton Capital Corporation ("Princeton"), by its undersigned attorneys, in the above-captioned jointly administered bankruptcy cases, respectfully withdraws with prejudice the following amended proofs of claim filed by Princeton on January 21, 2022:

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

i. Proof of Claim No. 119-8 filed against GVS Portfolio I B, LLC;[2]

ii. Proof of Claim No. 120-4 filed against GVS Portfolio I, LLC;[3]

iii. Proof of Claim No. 121-78 filed against GVS Texas Holdings I, LLC;[4]

iv. Proof of Claim No. 122-32 filed against GVS Texas Holdings II, LLC;[5]

v. Proof of Claim No. 123-12 filed against GVS Ohio Holdings I, LLC;[6]

vi. Proof of Claim No. 124-10 filed against GVS Ohio Holdings II, LLC;[7]

vii. Proof of Claim No. 125-10 filed against WC Mississippi Storage Portfolio I, LLC;[8]

viii. Proof of Claim No. 126-6 filed against GVS Nevada Holdings I, LLC;[9]

ix. Proof of Claim No. 127-7 filed against GVS Missouri Holdings I, LLC;[10]

x. Proof of Claim No. 128-9 filed against GVS New York Holdings I, LLC;[11]

xi. Proof of Claim No. 129-8 filed against GVS Indiana Holdings I, LLC;[12]

xii. Proof of Claim No. 130-7 filed against GVS Illinois Holdings I, LLC;[13]

xiii. Proof of Claim No. 131-13 filed against GVS Tennessee Holdings I, LLC;[14]

xiv. Proof of Claim No. 132-7 filed against GVS Colorado Holdings I, LLC;[15] and

---

[2] Amends Proof of Claim No. 119-5.

[3] Amends Proof of Claim No. 120-2.

[4] Amends Proof of Claim No. 121-62.

[5] Amends Proof of Claim No. 122-24.

[6] Amends Proof of Claim No. 123-7.

[7] Amends Proof of Claim No. 124-5.

[8] Amends Proof of Claim No. 125-4.

[9] Amends Proof of Claim No. 126-3.

[10] Amends Proof of Claim No. 127-4.

[11] Amends Proof of Claim No. 128-5.

[12] Amends Proof of Claim No. 129-4.

[13] Amends Proof of Claim No. 130-3.

[14] Amends Proof of Claim No. 131-9.

[15] Amends Proof of Claim No. 132-3.

xv. Proof of Claim No. 164-2 filed against GVS Portfolio I C, LLC.[16]

DATED: _____, 2022
Dallas, Texas

Respectfully submitted,

/s/ DRAFT

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
Phone: 214-377-7879
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Email: jessica.lewis@judithwross.com

COUNSEL FOR PRINCETON CAPITAL CORPORATION

[16] Amends Proof of Claim No. 164-1.

CERTIFICATE OF SERVICE

I hereby certify that on this _____, 2022, I caused a true and correct copy of the foregoing to be filed and served through ECF notification upon all parties who receive notice in this matter pursuant to the Court's CM/ECF filing system.

/s/ DRAFT
Judith W. Ross

Exhibit 2

Escrow Instructions

[To Be Submitted By Parties]

EXHIBIT B

Order of Dismissal

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

In re:	§	**Chapter 11**
	§	
GVS TEXAS HOLDINGS I, LLC, *et al.*,[1]	§	**Case No. 21-31121-MVL**
	§	
Debtors.	§	**(Jointly Administered)**
	§	
	§	
PRINCETON CAPITAL CORPORATION,	§	
	§	**Adv. No. 22-03043**
Plaintiff,	§	
	§	
v.	§	
	§	
GVS TEXAS HOLDINGS I, LLC, *et al.*,[2]	§	

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408) (collectively, the "Reorganized Debtors"). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

[2] The Defendants in this adversary proceeding are: GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; GVS Colorado Holdings I, LLC; World Class Capital Group, LLC; Great Value Storage, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC;

Defendants.	§
	§
WORLD CLASS HOLDINGS I, LLC	§
	§
Intervenor.	§
	§

ORDER OF DISMISSAL OF ADVERSARY PROCEEDING

Upon consideration of *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and the Reorganized Debtors* (the "Emergency Motion")[3] requesting, in part, that the Court dismiss the Adversary Proceeding upon entering the Proposed Order attached to the Emergency Motion, as described in the Emergency Motion, the Court (1) having considered the Emergency Motion and (2) finding that (a) notice of the Emergency Motion was good and sufficient upon the particular circumstances and that no other or further notice need be given, (b) the Emergency Motion is a core proceeding under 28 U.S.C. § 157(b), (c) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and (d) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief sought in the Emergency Motion related to the dismissal of the Adversary Proceeding is hereby **GRANTED**, subject to the terms contained in this Order.

WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; WC Kansas City Storage GP, LLP; and John Does.

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Emergency Motion.

2. Upon payment of the Settlement Amount of $11,372,698.89 to Princeton and $2,627,301.11 to the entity or party designated by the Defendants, the Adversary Proceeding is dismissed with prejudice.

3. Notice of the Emergency Motion as provided therein shall be deemed good and sufficient notice of such Emergency Motion under the circumstances and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

4. Notwithstanding the applicability of any Bankruptcy Rules, the terms and conditions of this Order shall not be stayed and shall be immediately effective and enforceable upon its entry.

5. The Defendants are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

6. This Court shall retain jurisdiction over all matters arising from or related to the interpretation or implementation of this Order.

 # # # END OF ORDER # # #

EXHIBIT 3

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

In re:	Chapter 11
GVS TEXAS HOLDINGS I, LLC, et al.[1]	Case No. 21-31121-MVL
Reorganized Debtors.	(Jointly Administered)

DECLARATION OF SHEENA PAUL IN SUPPORT OF EMERGENCY MOTION PURSUANT TO BANKRUPTCY RULE 9019 FOR ENTRY OF AN ORDER APPROVING A SETTLEMENT AND COMPROMISE BETWEEN PRINCETON CAPITAL CORPORATION AND THE REORGANIZED DEBTORS

I, SHEENA PAUL, pursuant to 28 U.S.C. § 1746, hereby declare, under penalty of perjury that the foregoing is true and correct:

1. I am in house counsel to World Class Holdings I, LLC ("WCH"), which directly or indirectly owns, controls, employs, and/or is affiliated with the above-captioned reorganized debtors (the "Reorganized Debtors") and the 36 Non-Debtor Defendants[2] (together with WCH and

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

[2] "Non-Debtor Defendants" means, collectively, World Class Capital Group, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC; WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; and WC Kansas City Storage GP, LLP.

the Reorganized Debtors, the "Defendants") in *Princeton Capital Corp. v. GVS Texas Holdings I, LLC*, Adv. Case No. 22-03043 (Bankr. N.D. Tex. 2022) (the "Adversary Proceeding"). I have served in this role with WCH since 2017. I also appeared as the authorized representative of the Reorganized Debtors and Phoenix Lending, LLC in connection with the September 9, 2022 deposition conducted by the Receiver in connection with this matter.

2. I submit this Declaration in support of the *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and the Reorganized Debtors* (the "9019 Motion"),[3] including that certain settlement agreement (the "Settlement Agreement"), by and among certain Defendants in the Adversary Proceeding and Princeton Capital Corporation ("Princeton" and together with the Defendants, the "Parties")

3. Except as otherwise indicated herein, all statements set forth in this Declaration are based on my personal knowledge, as I was personally involved in the negotiations that led to the Settlement Agreement. I am over the age of eighteen and authorized to submit this Declaration on behalf of the Reorganized Debtors and other Defendants. If called upon to testify, I would testify competently to the facts set forth herein.

The Settlement Agreement Should Be Approved

4. I understand that courts in the Fifth Circuit may consider the following factors before approving settlements and compromises:

a) The probability of success litigating the claims subject to the settlement;

b) The complexity and likely duration and the associated expense, inconvenience, and delay; and

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Emergency Motion or Settlement Agreement, as applicable.

c) The wisdom of the settlement, which include (i) the interest of creditors and (ii) whether the settlement is a product of arms-length bargaining.

I understand from reviewing the 9019 Motion that it sufficiently demonstrates why each of these factors weigh in favor of the Court approving the Settlement Agreement.

I. Probability of Success

5. It is my belief that in negotiating and considering the merits of the Settlement Agreement, the Parties considered all material disputes between Princeton and the Reorganized Debtors as well as the various other Defendants in both the Adversary Proceeding and Texas District Court. If Princeton is permitted to prosecute their causes of action in the Adversary Proceeding, the Reorganized Debtors will incur significant expense to complete extensive discovery, retain expert witnesses, and prepare for a potentially long and contentious trial. And, while it is my understanding that the Reorganized Debtors and the other Defendants are confident in their positions, there is no certainty in the outcome.

6. Finally, even when one of the Parties ultimately prevails on the merits of their claims, any litigation has a high likelihood of appeal considering the amount-in-controversy and issues involved, which would only further delay the Parties' ability to obtain relief. By entering into the Settlement Agreement, the Parties avoid the risk of not prevailing on their claims in the Adversary Proceeding, as well as potentially significant legal expenses.

II. Complexity of Litigation Involved and the Attendant Expense, Inconvenience, and Delay

7. The Parties' likelihood of success in connection with the Adversary Proceeding is uncertain due to the complexity of the myriad factual and legal issues involved in both proceedings, which have been previewed in the Complaint, the Non-Debtor Defendants' motion to dismiss, and Princeton's response to that motion. For example, the Complaint lists five different types of

allegedly fraudulent transfers that purported occurred over the course of nearly a decade. Unraveling the allegations will be an expensive, lengthy, and document-intensive process. The settlement avoids such attendant expense and delay to the Reorganized Debtors and the other Parties.

8. Indeed, in the absence of settlement, continued litigation of the Adversary Proceeding will take years to reach a final resolution, after accounting for the time necessary to reach decisions on the merits and to work through any challenge or appellate processes. Such delay will subject the Parties to the economic overhang of these disputes and hinder the final resolution of these cases while generating significant legal expenses, and continue the uncertainty regarding whether Princeton will recover its Judgment from the Reorganized Debtors, and will prevent the Reorganized Debtors from obtaining a final decree in what has been a long and complex chapter 11 cases. This sort of delay and uncertainty is unnecessary given the settlement. For these reasons, the cost of the Settlement Agreement to each Party, especially the Reorganized Debtors, is far outweighed by the benefit realized by ending this continuing contentious and expensive litigation, and gaining certainty regarding the Reorganized Debtors' exposure to Princeton.[4]

III. Wisdom of Settlement

9. Based on my business judgment, I believe that the terms of the Settlement Agreement are fair, reasonable, and in the best interests of the Reorganized Debtors, its remaining creditors, if any, and other stakeholders. The only potential creditors that have unresolved claims in the Bankruptcy Cases are Princeton and the Receiver. But, through the Settlement Agreement, only one alleged creditor will remain – the Receiver. The Settlement Agreement also paves the

[4] Indeed, to the extent any party is disadvantaged by the proposed settlement, it is WCH, as the equity holder of the Reorganized Debtors and WCH consents to its treatment in the proposed settlement and wholly supports its approval.

way for a final resolution of the Receiver's alleged claim because it calls for the Title Company to hold $3.5 million related to the Receiver's proofs of claim and administrative expense claim in an escrow account pending the resolution of the Receiver's fee application in state court, or other resolution of the adversary proceeding, administrative expense claim, and/or proofs of claim. For the avoidance of doubt, nothing in the Settlement Agreement precludes or prevents the Receiver from seeking approval of his fees and expenses in the state court, which is the only forum in which the Receiver can seek approval of such fees and expenses. More specifically, as part of the resolution with Princeton, the Reorganized Debtors and WCH have agreed that should the Receiver agree to withdraw his proofs of claim, administrative expense claim and dismiss his adversary proceeding, the Reorganized Debtors will seek to make the funds being held by the Title Company on account of the Receiver's claims (*i.e.*, the $3.5 million) available to satisfy any fee award in favor of the Receiver that is not otherwise satisfied in the underlying state court case, when such fee is determined by a final, non-appealable order in the Texas District Court that appointed the Receiver. As a result, the Receiver is adequately insulated from any outcome related to how the Princeton Reserve is disbursed. The parties reserve all rights as to any fee application and approval from the state court forum, and the expansion of the availability of the reserve moots any need for the Receiver to continue pursuing fraudulent transfer claims in this Court and any other court.

10. Further, the Receiver is not prejudiced by the Settlement Agreement because, as discussed above, the purchase of the Notes does not preclude the Receiver's right to seek approval of his fees and expenses (if any) from the Texas District Court. Rather, the note purchase by Phoenix Lending, LLC, a duly formed Delaware limited liability company,[5] is designed to provide

[5] *See* Exhibit C [Docket No. 1396].

the Reorganized Debtors, the others Defendants and Princeton with finality. Moreover, since Phoenix Lending, LLC is acquiring the Notes and the Judgment from Princeton pursuant to the Settlement Agreement, the Judgment will remain outstanding and Phoenix will, at the appropriate time, in the Texas District Court, (i) move for a termination of the receivership including seeking an accounting and final report from the receiver and (ii) seek a determination of the fees and expenses, if any, owed to the Receiver.

11. With respect to the other stakeholders, the Reorganized Debtors, the Defendants and WCH, the Settlement Agreement provides immediate certainty and finality with respect to the outcome of contentious and expensive litigation with Princeton. The Settlement Agreement also permits the Reorganized Debtors, Defendants and WCH to reallocate the resources they were dedicating to the Adversary Proceeding toward the Receiver's adversary proceeding and concluding these chapter 11 cases. At bottom, this resolution inures to the benefit of all parties and stakeholders.

12. The Settlement Agreement is the product of extensive negotiations between the Defendants and Princeton. Each of the Parties has been represented by experienced professionals throughout the Settlement Agreement negotiations and has acted in its own economic self-interest.

13. Accordingly, I believe that the Court should approve the Settlement Agreement and enter the Proposed Order and Order of Dismissal.

Executed this 13th day of September 2022.

/s/ Sheena Paul
Sheena Paul
Authorized Representative

EXHIBIT 4

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

IN RE:	)	CHAPTER 11
	)	
GVS TEXAS HOLDINGS I, LLC, et al,	)	CASE NO.
	)	21-31121-MVL
DEBTORS	)	
	)	(Jointly
	)	Administered)

Zoom deposition of SHEENA PAUL, duly sworn, was taken on Friday, September 9, 2022 between the times of approximately 2:05 p.m. CST and 4:55 p.m. CST, before Noelle R. Nevius, Professional Stenographer, reported by machine shorthand, after which time the Zoom deposition was reduced to writing and set forth as follows:

APPEARANCES:

FOR THE RECEIVER:
CULHANE MEADOWS, PLLC
BY: CHERYL DIAZ, ESQUIRE
BY: LYNNETTE WARMAN, ESQUIRE
BY: DANA LIPP, ESQUIRE
1301 Preston Road, Suite 110-1593
Dallas, Texas 75240
214-693-6525

FOR THE DEFENDANTS:
SQUIRE PATTON BOGGS
BY: JANINE LITTLE, ESQUIRE
BY: PETER MORRISON, ESQUIRE
BY: JEFFREY ROTHLEDER, ESQUIRE
1000 Key Tower, 127 Public Square
Cleveland, Ohio 44114
216-479-8500

Also Present: Seth Kretzer, Receiver

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EXHIBITS

- - -

SHEENA PAUL was called as a witness, and after having been duly sworn to tell the truth, testified as follows:

(Witness sworn.)

- - -

DIRECT EXAMINATION

- - -

BY MS. DIAZ:

Q. Good afternoon, Ms. Paul. My name is Cheryl Diaz. I represent Seth Kretzer in his capacity as the receiver for World Class Capital World, LLC and Great Value Storage, LLC.

I'm here today to ask you some questions in connection with an Emergency Motion for Entry of an Order Approving a Settlement in the Dallas Bankruptcy case. You're familiar with that case and why we are here; correct?

A. I am.

Q. And I gather you have given a deposition before?

A. I have.

Q. Okay. I won't spend a lot of time then on any kind of rules, but since we are doing this

remotely please be sure to answer verbally in response to my questions, avoid gesturing. And if you will do your best and let me get my question out before you answer, I'll do my best to extend you that same courtesy; okay?
A. Sounds good.
Q. All right. Before we get started, let me ask you if you happen to have with you, where you are today, a copy of the Settlement Agreement that we are here to discuss.
A. I do. I have closed all of my folders and everything on my computer so I can't access them, but I don't have a hard copy or anything with me.
Q. All right. That's okay. We can share the screen if necessary. I just thought it would be faster if you had a hard copy.
I'm going to be referring to some parties and some things that are defined in the Settlement Agreement today. For example, when I speak about the Reorganized Debtor defendants, I'm going to be speaking about the parties that are identified in footnote 1 of the proposed Settlement Agreement.
Are you familiar with those parties and the way they are defined in the Settlement Agreement?
A. I am.

Q. So if I use that term, you'll understand what I am talking about?
A. I will.
Q. I will also refer to non-debtors defendants or the Adversary defendants as the parties defined in footnote 2 of the Settlement Agreement. You are familiar with that definition; correct?
A. I am.
Q. So you will understand what I'm speaking about?
A. I will.
Q. Okay. There is an entity that's been identified, who was also a party to the settlement agreement notice, Phoenix Lending, LLC. May I refer to that entity as Phoenix, will you understand if I do that?
A. I will.
Q. My understanding is that you are appearing here today as the designated representative of several of the parties to that settlement agreement; correct?
A. That's correct.
Q. Have you had an opportunity to review some deposition notices that were provided to your counsel yesterday afternoon?

A. I did.
Q. Okay. Let me pull up the notice of intent to take the oral deposition of the Reorganized Debtors, the non-debtor defendants and World Class Holdings I, LLC. I'm going to ask the court reporter to mark as Exhibit 1.
(Exhibit No. 1 was marked for identification.)
BY MS. DIAZ:
Q. Are you able to see my screen?
A. I am.
Q. And did you have an opportunity to review this after it was served on your counsel?
A. I did just about an hour ago.
Q. Okay. Did you review the list of subject matters identified in Exhibit A?
A. I did. To both notices, yes.
MS. LITTLE: Ms. Diaz, sorry to interrupt. Are you intending to show the notice right now? Because I'm just seeing your file folder.
MS. DIAZ: Oh, yes. Hold on. Are you seeing it now? Or are you still seeing my folder?
MS. LITTLE: I see it now. Thank

you.
MS. DIAZ: Okay. Sorry about that.
THE WITNESS: So if it's possible to expand the Adobe screen in the corner, that would be helpful on my end. So if you hit -- yeah. Perfect. Thank you.
MS. DIAZ: Okay.
BY MS. DIAZ:
Q. I'll slowly scroll through this. I'll represent to you this is a true and correct copy of what we sent to your counsel yesterday evening.
Have you been authorized to appear today to speak on behalf of the reorganized debtors, the non-debtor defendants and World Class Holdings I, LLC on these subjects?
A. That's correct.
Q. There is also a second notice that's directed to Phoenix Lending, LLC. Did you have an opportunity to review that prior to the deposition?
A. I did.
Q. Okay.
MS. DIAZ: I will have the court reporter mark that as Exhibit 2 and I'll pull that up for you in a second.

(Exhibit No. 2 was marked for identification.)
BY MS. DIAZ:
Q. Have you been authorized to provide testimony today on behalf of Phoenix in response to the subject matters listed in that notice?
A. I have.
Q. Okay. Both of the notices requested that the parties that were subject to the notice produce document in connection with the deposition. Have you produced any documents today?
A. I'll defer to counsel who handled the document production and review.
MS. LITTLE: Ms. Diaz, we reviewed documents and all documents were either nonresponsive, irrelevant or otherwise privileged. So there was no documents to be produced.
MS. DIAZ: Okay.
Ms. Little, do you have a copy of the notice in front of you?
MS. LITTLE: I do. I can pull it up.
MS. DIAZ: Well, we can scroll down. I just want to quickly go through

the categories to understand what does and does not exist, and what you are making a claim of privilege or otherwise as to a reason for not producing.
On Exhibit 1, the Duces Tecum, which is labeled Exhibit B.
MS. LITTLE: I don't believe this is an appropriate exercise for this deposition or the best use of the time. I'm not being deposed.
MS. DIAZ: Would you be willing to provide a written response and let us know in response to each of these categories whether the documents do or do not exist and the basis for your objection?
MS. LITTLE: I believe we have already provided a response that we have reviewed documents in relation to Exhibit B, and that they're all nonresponsive, or otherwise irrelevant or otherwise privileged, but we can get you a response over the weekend with respect to each of these.
MS. DIAZ: Right. For example,

category number on Exhibit B, the deposition notice to the GVS parties asks for board resolutions authorizing Mr. Paul to execute the Settlement Agreement on their behalf.
Are you contending that that's irrelevant?
MS. LITTLE: Yeah. No board resolutions are needed in connection with this proceeding, but we can provide you more specific responses regarding each of these over the weekend.
MS. DIAZ: Do such board resolutions exist?
MS. LITTLE: We can provide you more specific responses over the weekend.
MS. DIAZ: Yeah. I'll just make my request on the record that I would like a specific response as to whether the documents do or do not exist, the basis for your objection, and if you are claiming a privilege -- information to a privilege log so we can evaluate it prior to the hearing on Wednesday, and

prior to filing our response to the Court on Monday.
MS. LITTLE: We can do that.
BY MS. DIAZ:
Q. Well, I take it, Ms. Paul, that you are going to defer ever to counsel with respect to any documents requested on behalf of Phoenix as well?
A. That's correct.
MS. DIAZ: And do I understand, Ms. Little, that no documents are being provided on behalf of Phoenix today either?
MS. LITTLE: That's correct.
MS. DIAZ: We have the same request as to that notice.
Does Squire Patton Boggs represent Phoenix Lending?
MS. LITTLE: In connection -- sorry. Go ahead, Ms. Paul.
THE WITNESS: In connection with the 9019 Motion and this Settlement Agreement, yes.
BY MS. DIAZ:
Q. Ms. Paul, what is your role with respect to the Reorganized Debtors? I understand there are

many of them. Are you legal counsel to each and every of the Reorganized Debtors?
A. I have provided legal services to the Reorganized Debtors. I'm not an employed professional in a bankruptcy case, but in-house counsel to World Class Holdings I, which is the ultimate equity holder or owner of all three organized debtors.
Q. Do you hold any employment positions with any of the Reorganized Debtors?
A. I do not.
Q. Do you hold any office or board position with either -- with any of the Reorganized Debtors?
A. I do not.
Q. So your role with respect to those entities is that of legal counsel to World Class Holdings, I. And by virtue of that position, you sometimes provide legal advice and counsel to the Reorganized Debtors; correct?
A. That's correct.
Q. Without me going through the entire list of the Reorganized Debtors, how was it that that group of entities came to designate you as authorized to provide testimony today on their behalf?
A. Yeah. I was the primary authorized person

responsible for negotiating this Settlement Agreement with outside counsel on behalf of the Reorganized Debtors in the -- I think you called them the Non-Debtor defendants. And, so, it was determined that I would be the most knowledgeable to speak about the topics that were noticed for this 30(b)(6) deposition.
Q. Who made that determination?
A. Those parties and counsel.
Q. Was there one person or more than one person who made that determination on behalf of the Reorganized Debtors separate and apart from legal counsel?
A. Well, the only ultimate owner of these entities is Mr. Nate Paul. So ultimate 30 rests with him, but he acts on the advice of counsel as well.
Q. All right. And Mr. Paul is your brother; correct?
A. That's correct.
Q. So your brother is, in consultation of counsel, authorized you to sit today on behalf of the Reorganized Debtors; correct?
A. Correct.
Q. And I think you mentioned you were also

authorized in the same fashion to provide testimony on behalf of the non-debtor defendants; is that true?
A. Yes. Hmm-hmm.
Q. What is your relationship to World Class Capital Group, LLC?
A. I have no former relationship other than the same role as it relates to the rest of the defendants in this litigation. I have at times provided legal counsel to the entity.
Q. Let me back up. Talking to the Reorganized Debtors. I understand you have at times provided legal counsel. Have you provided any kind of business counsel or advice to those entities?
A. Over the course of time, possibly. But for the purposes of today's deposition in respect to the 9019 Motion, my role was to work with outside counsel in the negotiation of the Settlement Agreement.
Q. Were there any nonlawyer representatives -- in other words not -- someone other than you and someone from Squire Patton and Boggs who was involved in negotiations of the settlement on behalf of the Reorganized Debtors?
A. Pretty much all of the negotiations occurred

between the Reorganized Debtors and all of the -- well, between all of the parties (inaudible) between counsel for the parties, including in-house counsel and outside counsel. And then those counsels would consult with their respective clients as well.

So, in our case, that would be Mr. Paul on our side as well and then Princeton also has principles on its side.

Q. Okay. So to cut to the chase and hopefully get us out of here at a reasonable hour, the nonlawyer on this negotiating table on behalf of the Reorganized Debtors was Mr. Paul?
A. I supposed you could say that, but honestly all negotiations happen through counsel. There are counsel discussions through all of that. So if you are asking who is the ultimate authorizing person for those entities, yes, that's correct.
Q. Right. And I guess my question is broader than that though. Were there any other individuals other than representatives of Squire Patton and Boggs, and yourself, and Mr. Paul who participated in the negotiations on behalf of the Reorganized Debtors?
A. I guess the reason I'm having trouble

answering your question is that the negotiations -- when you say participate in the negotiation. So if you are talking about actual negotiations, conversations, training of drafts and things like that, it was only the counsels. Obviously counsels have to get authority from their clients. And in that regard, yes, Mr. Paul participated. But he didn't -- he wasn't involved in any phone calls, or e-mails or things like that with respect to the negotiations with Princeton.

Q. Okay. But as far as business decision-making and what was in the best interest of the Reorganized Debtors, that would have been Mr. Paul on behalf of them; correct?

A. Yes.

MS. LITTLE: Objection.

THE WITNESS: Yes. So, yes, Mr. Paul is the ultimate -- I don't think it's any secret to anyone in this case or this court that Mr. Paul is the ultimate decision-maker for these entries.

So that is the case where he was acting this -- in making that determination with the advice of

counsel.

MS. DIAZ: Right.

BY MS. DIAZ:

Q. I just want to be sure I understand you. There were no other persons other than him involved in those decisions with the advice of counsel?

A. Correct.

Q. Okay. With respect to the Non-debtor defendants or the Adversary defendants, was your role as counsel for those parties?

A. It was the same as we have discussed. The Non-debtor defendants and the Adversary defendants are one in the same. The Adversary defendants is broader because it includes Reorganized Debtors, but it is all of the same parties.

Q. Right. You mentioned you don't have a formal relationship with World Class Capital Group, but that you have at times provided legal counsel to that entity; is that right?

A. Yes. World Class Capital Group is a defendant in this -- in that litigation that's being settled in accordance with this settlement agreement. So for purposes of what we are here to discuss today, my role for that entity was the same as for the rest of the entities, which is

facilitating the negotiation settlement of the Adversary proceeding since it's a defendant.

Q. Who authorized you to provide those services on behalf of World Class Capital Group?

A. You know, I think that's probably a legal question, but I would have to defer to counsel. I'm not sure how to answer that question. I don't think there was ever a formal authorization.

Q. Was it Mr. Paul, your brother, who authorized you to act on behalf of World Class Capital Group in connection with the settlement in this case?

A. I don't think I'm acting on behalf of that entry. As I mentioned, I was providing legal counsel, and working with outside counsel in the negotiation of this Settlement Agreement. And to the extent that World Class Capital is defendant in that negotiation, it was implicated.

Q. Well, did anyone other than you or Squire Patton Boggs make any decisions with regard to the appropriateness of the settlement with respect to World Class Capital group?

A. I'm not sure I'm understanding your question.

Q. Was your brother involved in authorizing the

settlement on behalf of World Class Capital Group?

A. Yes. He was -- as I think I have already answered, he was the ultimate authority for all of the defendants and all of the parties that are related to those defendants that this litigation involved.

Q. With respect to Great Value Storage, what was your role with respect to that Settlement agreement?

A. It's the same as I just answered for the otherwise. I think those parties are also for your benefit included in the definition of Adversary defendants. I think we're getting a little too duplicative, but I'm happy to answer those questions.

Q. And did you have any formal authority to act on behalf of Great Value Storage in connection with these negotiations?

A. Yes. I was designated to undertake the role that I did, just as the same as outside counsel and other parties acting in this litigation.

Q. Okay. Other than your brother, Mr. Paul, there were no other nonlawyers involved in that decision to involve you; correct?

A. That's correct.

MS. LITTLE: Asked and answered, Ms. Diaz. Let's keep it more efficient if we don't go through this repeatedly.
BY MS. DIAZ:
Q. Are World Class Capital Group and Great Value Storage currently operating businesses?
A. I don't know how to answer your question.
MS. LITTLE: Ms. Diaz, I'm going to object. That's irrelevant to this proceeding.
BY MS. DIAZ:
Q. Who authorized World Class Capital Group to employ legal counsel in connection with the Princeton adversary proceeding?
A. I don't know.
Q. Who authorized the employment of counsel on behalf of Great Value Storage in connection with the Princeton adversary proceeding?
MS. LITTLE: Objection. It's irrelevant to the approval under 9019 standard.
MS. DIAZ: You can answer.
THE WITNESS: Same as before. I don't know.
BY MS. DIAZ:

Q. Is there anyone -- do you know who would know the answer to that question?
A. Well, I -- the reason I'm hesitating is that I think I have already said that the ultimate decision-making for those entities is Mr. Paul. And that in this Adversary proceeding which your client has had knowledge and participated in the bankruptcy case, it's been quite some months now that those entities have had counsel.
So I just don't know and I'm not even sure who would know it. I would probably just need to talk with counsel to refresh our memory as to when and how they were engaged.
Q. But Squire Patton Boggs does, in fact, represent World Class Capital Group and Great Value Storage; correct?
A. In connection with the Adversary proceeding?
Q. Yes.
A. I believe so. I would have to double-check.
Q. What is your relationship to Phoenix?
A. I'm the designated 30(b)(6) representative for Phoenix for today's deposition.
Q. Who designated you in that capacity?
A. The governance of Phoenix, which including

Mr. Paul and Mr. Altman. And, similar to earlier, because Phoenix is an entity that's involved in this negotiation, I would be the most knowledgeable to speak on Phoenix's behalf.
Q. Let me ask you some questions about Phoenix. That is a newly formed entity; correct?
A. That's correct.
Q. It was formed on August 31, 2022; correct?
A. I believe so. I think we have provided the certificate of formation to your colleagues and I think that's the date.
Q. Who were the individuals involved in forming that entity?
A. Counsel assisted -- I believe counsel Brian Elliott formed the entity.
Q. At whose request did he do that?
A. Probably mine or Mr. Paul. I just can't remember.
Q. Who are the owners of Phoenix?
A. Mr. Paul.
Q. And who are the officers of Phoenix?
A. Mr. Paul is the president and Mickey Altman is the president.
Q. Are there any other officers?
A. No.

Q. Are there any other members?
A. No.
Q. Is Mr. Altman somebody that Mr. Paul had done business with prior to forming Phoenix?
MS. LITTLE: Objection. Foundation.
THE WITNESS: I'm also not sure how this is relevant to the 9019 standard or what we are here to discuss, but I believe so.
BY MS. DIAZ:
Q. Do you know Mr. Altman personally?
A. I know him professionally.
Q. How do you know him professionally?
A. Well, I just spoke to him with connection with this Settlement Agreement. And I don't recall when I first met him, but he's worked in the real estate industry for a long time.
Q. Has he ever worked for the any of the World Class entities?
MS. LITTLE: Objection. This is all irrelevant to this 9019 proceeding.
BY MS. DIAZ:
Q. You can answer the question, Ms. Paul.
A. He has never been an employee of any of

those entities. No. And I think -- by the way, it would help if you could -- any time someone uses the term World Class entities, I don't know what you're referring to. So if you want to be more specific, that would be more helpful.
Q. Certainly. Has Mr. Altman provided real estate or consulting services to any of the entities owned directly or indirectly by Mr. Paul?
MS. LITTLE: Same objection. This is irrelevant to 9019 Motion. And if we are going to continue this way, it's a waste of time.
THE WITNESS: And I believe -- Janine, are you instructing me not to answer those questions that are irrelevant?
MS. LITTLE: Yeah. If we could, you know, limit the scope to what's relevant and what was noticed for the 9019 Motion appropriately, that would be best.
MS. DIAZ: Well, this is the subject of the notice and it's the subject of conversation from Judge Larson this week about the formation of

the new assignee. So I would like some background on the entity and that's why I'm asking about Mr. Altman.
MS. LITTLE: Well, I'm going to instruct her not to answer to the extent it's irrelevant to the 9019 Motion.
THE WITNESS: And I'm happy to answer any questions with the respect to the entity. I just think that -- I don't believe your question was asked with the understanding -- you're asking about Mr. Altman's involvement with other entities, which, in any case, I don't know.
BY MS. DIAZ:
Q. Is Mr. Altman a lawyer?
A. I believe so.
Q. Does he live in Houston?
A. I'm not sure.
Q. Does he practice law in Texas, to your knowledge?
MS. LITTLE: Asked and answered.
THE WITNESS: I don't know.
BY MS. DIAZ:
Q. When did you speak with Mr. Altman about

appearing for the deposition today?
A. I didn't speak with him about appearing for the deposition today.
Q. Oh, that's what I thought I heard you say. You said you know him professionally because you spoke to him.
A. In connection with the Settlement Agreement.
Q. Well, Mr. Altman signed the Settlement Agreement. So I presume he has seen it; correct?
A. That's correct.
MS. LITTLE: Objection. Foundation.
THE WITNESS: That's correct.
BY MS. DIAZ:
Q. You mentioned that you were involved in the negotiation of the Settlement. Were you involved in the negotiation of both the Term Sheet and Settlement Agreement?
MS. LITTLE: Objection. Form.
THE WITNESS: I was.
BY MS. DIAZ:
Q. When I say Term Sheet, I'll pull this up in a moment. But I'm referring to the Term Sheet that was filed with the Court back on August 27, 2022. When you say you were involved in negotiation, were

you also involved in drafting the documents?
A. Squire Patton Boggs was primary drafting counsel. I would review drafts that they had prepared. Yes.
Q. And is this same true for the actual Settlement Agreement we are here to discuss?
A. Yes.
Q. Did you have any role in drafting any of the attachments to the Settlement Agreement?
A. Same as the rest of the documents.
Q. With respect to World Class Holdings I, did you act in the same role with respect to World Class Holdings I when it came to the negotiating of the settlement with Princeton?
A. Yes. I believe that's the question you asked earlier because I think World Class Holdings is included in the definition of Adversary defendants.
Q. Do you know who was involved in the negotiations on behalf of Princeton?
A. Our primary contact was Ms. Judith Ross.
Q. Did you ever have any direct communications with Martha Salvo (ph)?
A. I believe there was one or two very preliminary conversations before any drafts have

been traded or things like that where Martha Salvo, counsel, Judith Ross and they may have had one other counsel, Squire Patton Boggs, and myself, and I believe Greg Kanella (ph) of Princeton were also on.

But there was -- I think the only times that we spoke directly to their client were very early, maybe one or two phone calls.

Q. Did Mr. Altman participate at all in the negotiation of the settlement on --

A. He did not.

Q. -- behalf of Phoenix?

A. He did not.

Q. Okay.

A. He is the vice president of that entity. So the primary person for -- the president of that entity participated, which is Nate Paul. Mickey Altman had signatory authority, which is why his name is on the settlement agreement, if that's helpful.

Q. He said he had signatory authority?

A. Yes. Excuse me just a second.

Q. Sure.

A. I had a lingering allergy cough. Yes. He was given authority to sign the Settlement

Agreement.

Q. Okay. Did Mr. Paul give him that authority?

A. Yes.

Q. We talked about negotiating the settlement. Who actually approved the settlement on behalf of the Reorganized Debtors?

A. Well, the settlement is up for approval with the bankruptcy court right now. But if you are asking who approved that it be finalized and filed for court approval, as I said earlier, the ultimate decisionmaker for all of the Adversary defendants and Reorganized debtors is Mr. Paul. He is the only officer. So it would be him.

And, again, he relied on and used the advice of counsel in coming to that conclusion.

Q. Did Mr. Paul have any meetings with any of the officers, directors or employees of the Reorganized debtors in connection with making that decision?

A. The Reorganized debtors don't have any employees or officers other than him.

Q. So there are no board resolutions or corp resolutions formally approving the settlement on behalf of the Reorganized debtors?

MS. LITTLE: Objection. That's irrelevant.

THE WITNESS: And in any case, it's determined that there aren't any that are necessary.

BY MS. DIAZ:

Q. So there are none?

A. There are none, but that's because they are not necessary.

MS. DIAZ: I object to that as nonresponsive.

BY MS. DIAZ:

Q. Who approved the settlement on behalf of the non-debtor defendants? Was that the same? Mr. Paul?

A. Yes. This is going to be the same earlier authority questions.

Q. All right. So similarly then with respect to World Class Capital Group and Great Value Storage, Mr. Paul would have been the one who approved the settlements on their behalves; correct? Did you answer? I'm sorry. I couldn't hear.

A. I did. I said correct.

Q. Sorry. I didn't hear you. The same again

for World Class Holdings I?

A. Yes.

Q. And also for Phoenix; right?

A. Well, yes. He was the ultimate authorizing party and he delegated the signatory for Mr. Altman.

Q. Let me -- I'm going to pull up a copy of the Settlement Agreement. And I'm going to ask the court reporter to mark it as Exhibit 3 to your deposition, Ms. Paul.

(Exhibit No. 3 was marked for identification.)

BY MS. DIAZ:

Q. Are you able to see that?

MS. LITTLE: No. It's just your file folder once again.

MS. DIAZ: Let me try again. Are you seeing Exhibit A?

THE WITNESS: I am, just the top of it though.

MS. LITTLE: Ms. Diaz, I apologize. Could we break for one moment because one of our -- my colleague dropped off of the call, and he can't get back in and the host needs to let him in.

MR. DIAZ: Oh. Sure.
THE WITNESS: I'm going to take a quick restroom break if we are going off the record.
(At this time, off the record.)
(At this time, back on the record.)
BY MS. DIAZ:
Q. Okay. Just before the break, Ms. Paul, I was trying to pull up a copy of the Settlement Agreement. Are you all able to see that?
A. Yes.
Q. And this is what we marked as Exhibit 3. I'm just scrolling down to the bottom. Okay. I wanted to ask you a question about the signature pages. The first signature page your brother, Mr. Paul, signs on behalf of himself, and on behalf of all entities he either owns or controls in whole or in part.
Do you see that?
A. I do.
Q. Can you tell me who Mr. Paul is signing on behalf of, or he signs on behalf of all entities that he either owns or controls in whole or in part?
A. Yeah. I think if you go to the recital to

the very top of this agreement, it lists out the relevant entities.
Q. Actually, I don't think it does. As a matter of fact, there's many times where it refers to entities that Mr. Paul owns or controls in whole or in part, but it does not specify who those are, and that's what I'm trying to figure out.
MS. LITTLE: Objection. Not a question.
BY MS. DIAZ:
Q. Can you identify as the designated representative of the parties to the Settlement Agreement who this signature is on behalf one?
A. Yeah. Can you scroll to page one of the Settlement Agreement?
Q. Sure.
A. I think that will help me answer your question.
Q. That's the first page. I'm happy to scroll down as you need.
A. Right there. You can stop there. It's going to be Nate Paul, Reorganized debtors, World Class Holdings Adversary defendants. Those are -- and Phoenix. Those are going to the parties that are referenced by that signature block.

Q. So when those entities sign a release in favor of Princeton, the release is only being provided on behalf of the specific entities identified in the first paragraph of the Settlement Agreement. Is that your understanding?
MS. LITTLE: Objection. Form.
THE WITNESS: Well, the release is -- may be broader. I think the release is -- if you'll go to the release section, we can look at the language together.
BY MS. DIAZ:
Q. Yeah. We'll go there in a little bit. But I'm just curious because I'm not sure who this particular signature pertains to.
A. Yes. I think I just answered the question. So typically, you know, contracts are signed up. The parties to the contract are the signatories. And this -- the reason I went to the beginning of this document is that it lists who the parties to the contract are. And to the extent that it's helpful for you, we can -- you know, we are happy to bring it up, and objection, and we can clarify the signature pages, if necessary.
I'm just helping you to understand that in

this preamble one, two, three, four and I guess that's five. One, two, three and six. Sorry. One, two, three, four and six are who we intend to refer to as to that signatories for that block. To the extent of the releases, because those run to Nate, I believe that's the effective -- that's why Nate has to sign for himself for those parties.
MS. DIAZ: I'm going to object to that as nonresponsive. We'll talk about the release in a minute. We'll come back to that.
BY MS. DIAZ:
Q. Okay. And then Mr. Paul, he also signed on behalf of all of the Adversary defendants; right?
A. That's right.
Q. And on behalf of three Reorganized debtors; correct?
A. That's right.
Q. And also on behalf of World Class Holdings I; right?
A. That's right.
Q. And, again, there's no formal authorization. That's just the way he conducts business on behalf of these entities; right?
MS. LITTLE: Objection. Form.

Asked and answered.
THE WITNESS: I'm not even sure what your question is. All of those entities have their own operating agreements that designate him to make decisions such as this one. So I'm not really sure what you mean by that's just the way he operates business.
BY MS. DIAZ:
Q. Well, he didn't need to go and obtain formal authorization in order to sign on their behalf, is all I'm getting at; right?
MS. LITTLE: Same objection.
THE WITNESS: I think it's the same question, I think, that you asked earlier. But if you want to restate it hopefully we can just get a clear record of what you're asking, and I'm happy to re-answer it.
BY MS. DIAZ:
Q. Sure. All right. Let's switch gears. So you are sitting today on behalf of the Reorganized debtors. Did the Reorganized debtors employ any process to evaluate whether the settlement terms were in their best interest. Was there any kind of

formal process?
MS. LITTLE: I just want to get an objection on the record that to the extent you're seeking information that's based on communications between defendants and outside counsel, I'm going to instruct Ms. Paul not to answer that.
MS. DIAZ: Yes. I'm not going to be seeking -- forgive me. Let me turn this off.
I don't intend my question to ask about attorney/client communications. My question really doesn't ask about communications at all. It just asks if there was any kind of process that the Reorganized debtors went through in order to evaluate the terms of the settlement in respect to their own interests.
THE WITNESS: Yes.
BY MS. DIAZ:
Q. What was that process?
A. So the negotiations to come to these terms occurred over the course of months, but really in

most -- I guess in musguesto (ph) after the reorganized debtors, the governments return to Mr. Paul. So for about -- I think that was the second week of August.
So I think that -- so during the course of that time frame, there were ongoing and multiple discussions between myself, Squire Patton Boggs, and Mr. Paul to determine whether the overarching terms of this agreement were in the best interest of the Reorganized debtors. In light of this case is coming to a conclusion, the Chapter 11 cases, and this being one of the remaining controversies left in the case.
Q. And I gather your determination is that the settlement is in fact in the best interest of the Reorganized Debtors; correct?
A. That's correct.
Q. Could you explain to me briefly the high points of why you believe that to be true?
A. Sure. Absolutely. So for the Reorganized Debtors that they sold primary assets, they have repaid all credits other than the contingent claims, or the controversial claims that are left between Princeton and Seth Kretzer notwithstanding the fact that the Reorganized Debtors were

challenging whether or not those were open -- were actually creditors of their estates. The Adversary proceeding of Princeton and of the receiver are really the only two remaining issues in the Chapter 11 cases.
So as the Reorganized Debtors looked to that litigation, the complexity that -- I think there are 36 defendants there. The uncertainty that -- the fact that it would involve multiple jurisdictional issues certainly would be lengthy and complex, the likelihood that those things would be challenged on appeal, and the cost and expense related to that made the determination that settling this matter would bring finality to not only the estates, but also to Princeton, which is an open creditor -- or an open -- a party that's claiming to be a creditor to the Reorganized Debtors.
So for the Reorganized Debtors to enter into this agreement that leaves only one controversy left in the Chapter 11 cases, which is the pending adversary with Mr. Kretzer.
Q. So the ability to essentially bring litigation to a close and not have ongoing litigation was something that the Reorganized

Debtors thought was beneficial to them; right?
A. There is a significant amount of cost and expense to the estate in continuing that litigation. So, yes.
Q. Did the Reorganized Debtors go through a similar process in evaluating whether the settlement, that we are here to talk about today, was in the best interest of creditors of the estate?
A. It did.
Q. What was that process?
A. All of that process was one in the same. As I mentioned, only the two remaining -- I'm not sure what the correct bankruptcy term is, but Princeton and the receiver are the only two remaining possible creditors to the estate. All of their allowed claims have been paid.
And, so, what this settlement does is it brings resolution to one of those two, and it actually paves the way for resolution of the second. And so, this settlement not only provides finality and certainty to the Reorganized Debtors about future costs and litigation risks of the estate, but also provides -- obviously Princeton is in support of this and is a potential creditor.

other than these two. So they were both taken into account.
Q. Okay. Sometimes your counsel refers to Princeton as an alleged creditor. That's why I'm asking specifically -- I mean to the receiver as an alleged creditor. So that's why I want to specifically know if there were any other considerations that were given to the interest of the receiver in evaluating this claim.
A. And I do believe that's correct to refer to both Princeton and the receiver as alleged creditors because their proofs of claim are -- one, they have not been allowed and two, they have been objected to. So they are not -- they haven't yet been deemed creditors of the estate.
But nonetheless, the Reorganized Debtors did consider both Princeton and the receiver regardless of whether or not they are actually creditors of the estate because they were both open litigation of the estate.
Q. Would you agree as a representative of the Reorganized Debtors that protracted an ongoing litigation in the future would not be in the best interest of the receiver?
A. I can't speak for the best interest of the

And with the enhanced security that it provides, the receiver, should he ever obtain a fee award that is -- for which it is sufficient funds to make whole, there's also a path for collection for him there.
So this settlement is undoubtedly in the best interest of both the estate and any possible remaining creditors.
Q. You may have just answered the question I'm about to ask you, but I'm going to ask it to make sure there's not something else of what you just said.
My question was directed to what the Reorganized considered when it came to creditors generally. Did the Reorganized Debtors employ any process to specifically consider what was in the best interest of the receiver in this case?
A. Yes, it did.
Q. What was that process? If it was different from what you just described?
A. No. It's all one in the same. The Reorganized Debtors considered the only -- I guess I just want to -- you probably are aware of this, but at this stage in the case, like I mentioned, there are no other creditors or potential creditors

receiver.
Q. Well, was that considered by the Reorganized Debtors when they were -- in terms of the settlement?
A. Yes and -- I'm just -- you might just need to rephrase your question. I'm getting a little confused by what you're asking me. I believe what you're asking me is the 9019 Standard, which is did the Reorganized Debtors in recommending this Settlement Agreement consider both the estates, and the both interest of creditors, and I believe I have answered that.
And now you're asking me -- then you asked if I considered Princeton and the receiver regardless of whether they are creditors or not, and I believe I answered that. And now you're asking me if I think that prolonged litigation is in the best interest of the receiver. I don't know that that's a question relevant. But I don't think -- in my personal opinion and of the Reorganized Debtors, prolonged litigation is always an expense of a costly process, and if it can be avoided for terms that make sense to the estate, when you are weighing the balance of that, then I think that's a good thing.

Q. Would you also agree then that if the Settlement Agreement, that we marked as Exhibit 3 that we are here to talk about today, actually would result in additional litigation for the receiver as opposed to putting off litigation, that that would not be a factor that would weigh in favor in the interest of the receiver?

MS. LITTLE: Objection. Form.

THE WITNESS: I'm not really sure I understand your question. I'm not aware of any additional litigation or otherwise.

And, quite honestly, there's so much litigation cost by the receiver that, you know, we -- the Reorganized Debtors have attempted to resolve things with the Receiver and have not been able to get counsel on the phone to do so in that regard. And so, to the extent of additional litigation for another party, I don't think I'm in a position to speak to that.

MS. DIAZ: Objection. Nonresponsive.

BY MS. DIAZ:

Q. We are looking at what I have marked as Exhibit 3. This is actually part of the Settlement Agreement. This was filed with the Court by Squire Patton Boggs on September 2. And later, there were some additional exhibits that were filed to the Court and provided to us.

Does the Settlement Agreement that you are looking at and all of the attachments that are referred to it constitute the entire settlement between these parties and Princeton?

A. Yes.

Q. Are there any side agreements or separate agreements that reflect additional terms of the settlement?

A. No.

Q. Are there any documents that still need to be drafted in order to memorialize what the parties have agreed to in connection with the settlement?

A. No.

Q. Were you at the status conference, by phone at least, this past week with Judge Larson to discuss the settlement?

A. I was.

Q. You were?

A. Yes.

Q. During that status conference, one of the Squire Patton Boggs lawyers mentioned that there is a note agreement that's being prepared in connection with the assignment.

Do you recall hearing that?

A. Yeah. I think that there was some confusion there. The reference was -- and we -- and I'm happy to walk you through this. I think the question at the time was how was the payment being made by Phoenix. And I think counsel misspoke and said there was a loan between the Reorganized Debtors and Phoenix, but that's not accurate.

Q. Okay. Well, I am going to ask you about that before we get to that. So there is no additional document that's forthcoming with regard to the settlement in the way of a loan agreement then?

A. No. There is no loan agreement necessary between the parties here for the purposes of having the Settlement Agreement approved. Right. We are getting -- the parties submitted this to the Court for purposes of those entities that need the authority to release the reserve, which is the Reorganized Debtors, and settle the proceeding. So all of those documents are included here.

Q. Okay. I'm going to ask you about that payment arrangement in a second. So are there any other documents that you are aware of as you sit here today that the parties are undertaking to draft to finalize the Settlement Agreement, should it be approved by the Court?

A. Can you clarify when you say parties? Who are you talking about? Because everything between the parties opposite each other here is provided here in this agreement. So there are no other documents that are necessary to effectuate this agreement than those that are -- have been tended to the Court.

Q. Okay. Is Princeton receiving any kind of promise or consideration separate and apart from what is being promised in this Settlement Agreement?

A. No.

Q. In other words, is there any kind of separate business deal or business relationship that are emerging out of the negotiations that are leading up into the -- up to the execution of the Settlement Agreement?

A. No. In fact, the purpose of this settlement agreement is to bring finality between -- finality

and the end of the relationship between Princeton and the opposite parties indefinitely. There will be no future relationship.

Q. Are there any documents that reflect the obligations of Princeton going forward upon assignment of the notes, and judgment and transaction documents to Phoenix?

A. They are all attached to this agreement. Princeton's only obligation is -- and there is a section in this agreement that says what Princeton is supposed to do.

It tenders certain documents to escrow. And upon payment, those documents are released to counsel for the opposing parties, who will then file the relevant substitutions and whatnot, and Princeton has no further obligations.

Q. What about obligations to not take an adverse position from the World Class parties or the GVS parties?

A. To the extent that those reps or covenants are required they're also in this agreement. There are no other agreements, or obligations, or covenants, or reps or anything of any sort between Princeton and the opposing parties than what's in this fulsome agreement with the exhibits.

Q. I referred earlier in your deposition to a Term Sheet that was filed with the Court by Ms. Ross back on August 27. I'm happy to mark it as Exhibit 4. I can pull it up for you. But when I say the Term Sheet, do you know what I am talking about?

A. I do.

(Exhibit No. 4 was marked for identification.)

BY MS. DIAZ:

Q. Is the Term Sheet that Ms. Ross filed with the Court the final "Term Sheet"?

A. I believe so.

Q. In other words, there might be other iterations leading up to it, but that's the Term Sheet that stood in place before the Settlement Agreement was executed; correct?

A. Yeah. That's the term sheet that was memorialized by the Settlement Agreement. Yes.

Q. To your understanding and belief, does the Term Sheet remain in effect?

A. Yes.

Q. So it stands alone separate and apart from the Settlement Agreement?

A. Well, if we want to look at the terms of the

Term Sheet, the Term Sheet calls for the preparation of this Settlement Agreement. That was the purpose of the Term Sheet. I think that's the first paragraph of the Term Sheet. It says, the parties will enter into a settlement agreement that memorializes the following terms.

And, so, that was -- the obligation created by Term Sheet was to create the Settlement Agreement and file it with the Court, which the parties did.

Q. Right. As I'm sure you know, many times the Term Sheet is superseded and extinguished by a formal settlement agreement, but there's some confusion in my mind about whether that happened here. Let me scroll --

A. I can help clarify that for you. The Settlement Agreement is only effective upon approval of the Court. Once the Court gives its approval of the Settlement Agreement, it will supersede, you know, any prior obligations. It's the binding and comprehensive agreement between the parties. And I believe there's an integration clause at the end of the Settlement Agreement that reflects the same.

Q. Okay. Well, there are just a couple of

provisions in here that seem to conflict. And so, I appreciate getting your understanding. Let me show you what I am talking about.

MS. LITTLE: Objection. That wasn't a question.

MS. DIAZ: No. I have not asked the question yet, counsel.

MS. LITTLE: Well the commentary was -- I -- I am objecting to the commentary.

THE WITNESS: That's all right. I'm following, Ms. Diaz.

MS. DIAZ: Yes. I'm just trying to be helpful. So if you want me to shut up, I'm happy to do that.

THE WITNESS: If you want to show me what provisions.

BY MS. DIAZ:

Q. I'm trying to find it. Hang on just one second.

Here it is. Okay. It's a paragraph that says, whereas on August 22, '22. Do you see that?

A. Yes, I do.

Q. And this recital refers to the Term Sheet that you and I were just discussing; right?

A. That's right.
Q. And it says here in the last sentence of that recital that the Settlement Agreement, which we marked as Exhibit 3, is a new -- is new and separate from the settlement of the Term Sheet; correct?
A. That's right.
Q. Okay. Let me now ask you to look at paragraph 15C. In paragraph 15C states the term -- very last sentence to the Settlement Term Sheet, which shall remain in force and effect.
Do you see that?
A. Hmm-hmm.
Q. So it's your interpretation and understanding that this agreement -- that once it's approved by the Court, the Term Sheet will be extinguished?
A. That's right. I can help illuminate that. So the Term Sheet provided that the parties would memorialize a settlement agreement, a fulsome settlement agreement. I believe that was also discussed with the U.S. trustee and Judge Larson as well that a full -- you know, all of the full terms need to be filed with the Court and any irrelevant parties so they could review that.

The Settlement Term Sheet also provided that if the parties sought Court approval and it did not -- the parties did not obtain it, what would happen in that case? And so, you know, you're looking at an agreement that has not yet been approved.
And, so, the purpose of the provisions that you're looking at were to show that -- were to indicate that the Settlement Agreement was to be the full and final agreement. And if it was not approved, we revert back to the Term Sheet, which had its own remedies and requirements in the case of the lack of Court approval, including that the parties should negotiate in good faith and things like that.
Q. All right. So if the Court does approve this, then no one is going to be harping back to specific provisions of the Term Sheet, for example, that require Princeton to cooperate with the Great Value parties and circumstance?
A. That's right. If this agreement is approved, this will be the full and final agreement. And we are happy to make any clarifications that you might require to show that. By, yes, this is the full and final agreement that

will control.
Q. I'm happy to pull this up. Do you remember the paragraph 5 and 6 in the Term Sheet, which required Princeton to take certain actions with respect to abatement of the bankruptcy proceeding and also providing information to Judge Davis in Austin? Do you recall that?
A. I don't. You'll have to pull it up.
Q. Yes. Let's do that.
A. But, again, just to be clear, the parties aren't seeking approval of the Term Sheet. They're seeking approval of the Settlement Agreement. And so, to the extent of what's relevant for the hearing next week, we are only seeking approval of the Settlement Agreement itself, which tells all of the terms that -- that reflect the terms of the final negotiations between the parties.
Q. Excuse me. I'm going to scroll down now to paragraph five and six of the Term Sheet, which we are going to mark as Exhibit 4 to your deposition.
A. Yes. I see. No. Princeton will not have these obligations. They didn't -- these obligations did not end up in the final Settlement Agreement because we were able to negotiate the note purchased and complete all of Princeton's

obligations.
Q. Whose -- was it what's referred to as the Great Value parties in the Term Sheet. Was it the Great Value parties who requested paragraphs five and six of the Term Sheet at the time it was being negotiated?
A. I don't recall. But again, the Term Sheet is not the document that we are seeking approval for, just as it is with, you know, lots and lots of transactions. The term sheet is where people put on paper the deal and principal. And then when you negotiate out the fulsome final settlement agreement, some things may get in and some things don't.
And so, I don't recall but I don't think it's relevant because it's -- we are not seeking approval of anything related to those two paragraphs.
MS. DIAZ: I'm objecting to the answer as nonresponsive.
BY MS. DIAZ:
Q. Is it your sworn testimony that you don't recall at whose suggestion paragraphs five and six were inserted into the Term Sheet?
A. I don't. The reason is because the Term

Sheet -- it wasn't like we requested something and Princeton requested something. It was the product of many, many phone calls and negotiations. So I don't recall exactly how it ended up in here.

Q. Do you recall whether any of the parties requested that it be taken out in connection with the Settlement Agreement that was ultimately executed by the parties?

A. We did want to clarify, based on Judge Larson's comments the other day, that she has only got authority to order parties to do things in her court. So I recall, you know, that that was taken into consideration.

But again, I don't know that these two paragraphs made it in and then were taken out. What I do know is that the parties to keep, to ensure that the requests before Judge Larson were only related to her jurisdiction and her court.

Q. Among the attachments to the Settlement Agreement that we recently saw and I believe they were attached as Exhibit E, there were some draft proceedings that had been signed by counsel for Princeton to substitute in Phoenix or Princeton in pending matters.

Do you know what I am talking about?

the 9019 proceedings, as well as requesting privileged communications with outside counsel.

MS. DIAZ: Number one, it's really a yes or no question if documents exist. So it's not asking for privileged communication. And I certainly think when the Court is evaluating the impact of this Settlement Agreement under rule 9019, it's fair for us to be able to tell her whether or not additional litigation against the Receiver is being contemplated as part of this settlement.

MS. LITTLE: Future litigation is irrelevant to the 9019 Motion.

MS. DIAZ: So you're instructing Ms. Paul not to answer?

MS. LITTLE: I am instructing Ms. Paul not to answer.

MS. DIAZ: Okay.

THE WITNESS: I think what might be helpful here too, to the extent that it could be relevant to the Reorganized Debtor, the Reorganized Debtors don't intend to initiate any other litigation

A. I do.

Q. Okay. Were there any other documents like that that are currently being drafted or that are anticipated with respect to steps to be taken in litigation involving the Receiver?

A. With Princeton? No.

Q. What about with Phoenix?

A. I don't think that's relevant to the 9019 Motion.

Q. Well --

A. The future litigation strategy of Phoenix, this not -- one, I'm not authorized to -- I think that's attorney/client privilege information with respect to what Phoenix and its outside counsel had discussed. And then two, I don't think it's relevant. I think you are going to need to clarify here.

MS. LITTLE: Can you restate your question, Ms. Diaz?

THE WITNESS: She asked if there was any litigation papers being drafted with respect to the Receiver after the note purchase.

MS. LITTLE: Understood. I'm going to object to it as being irrelevant to

in this bankruptcy case. The purpose of this Settlement Agreement is to resolve the open issues in this bankruptcy case. I think that is what is relevant to the estate.

BY MS. DIAZ:

Q. Are you able now to -- I put the Settlement Agreement back up, Exhibit 3.

A. No. You are on your file folder again.

Q. Oh. Sorry. Can you see it now?

A. Yes.

Q. Okay. Give me a second. I'm going to take you to page eight of the agreement, which talks about the payment terms.

A. Hmm-hmm.

Q. So paragraph two sets forth the terms of the payment to Princeton; correct?

A. Yes.

Q. And to put it pretty simply, the settlement provides for full payment of the notes; correct?

A. That's how the parties -- well, the number that is reflected in the settlement amount was a negotiated number that reflected a lot of different things related to the judgment and the pending litigation.

Q. And my question wasn't even meant to be that difficult. But the bottom line is the notes were already paid in full; correct?
A. No. That's not true. The notes will remain outstanding because the notes will be held by Phoenix Lending.
Q. Well, explain that to me, Ms. Paul. After Princeton receives this $11 million dollars, what monies are still going to be owed on the notes to Princeton?
A. Well, the notes are being sold to Phoenix Lending. So, you know, loans trade all of the time in commercial lending. So Princeton will no longer be the lender under the notes. Phoenix Lending will be the lender under the notes. This now reflects the consideration paid to Princeton for selling its note.
Q. So if Phoenix Lending decides to turn around and sell the note, how will it set the amount its owed under that instrument?
A. Well, the note and instrument speak for itself. They remain as they are. The terms of the note, the terms of the judgment remain as they are. If Phoenix then sells the note to somebody else, I mean that's its own business decision.

Q. So you are saying that even though Princeton is getting paid the amount it sought when it filed suit on the notes, and in fact, it's being fully paid in the amount of a judgment; correct?
A. Princeton is selling the note. Princeton is not collecting on the note; right? Princeton is selling its position. And the reason for that is that we wanted to give Princeton finality here. The note purchase facilitated Princeton's exit from this dispute, so that it would not have any future obligations that would be necessary in resolving anything related to the note or the judgment.
Q. What future obligations did Princeton have related to the note or the judgment?
A. Any -- well, let me back up. Whatever those may be because it's no longer the noteholder Princeton -- any of Princeton's rights, or obligations or otherwise under the note seized. Just like people sell notes all of the time. People sell loans all of the time. Banks sell them to each other. They sell them to private lenders. This is a note sale.
Q. What about the judgment?
A. Yes. The judgment is sold as well. The judgment and the note are not severable; right?

The judgment is the memorialization of the obligations and the litigation related to the note. So it's all part of the same.
Q. So what is the business reason, as you understand it, why rather than allowing Princeton to be paid in full the balance owed under the note of judgment and then have Princeton release the assignee on the note, how does it benefit Princeton for the notes to be sold? For the judgment to be sold?
A. I believe I just answered that question. First of all, Princeton can best speak to its benefits. But from the Reorganized Debtors standpoint, this ensures that Princeton -- there are -- there's no further litigation, or no further actions that need to be taken by Princeton to resolve the open litigation or no matters between the Reorganized Debtors debts and Princeton.
Q. Do you mean the open matters between Princeton and the Receiver?
A. No. I mean the open matters between the Reorganized Debtors and Princeton.
Q. What --
A. For example -- so if the note were paid, Princeton still has to wind down the receivership,

it still has to get accounting, it still has to dismiss the litigation, it has to deal with all of the appeals. And with Phoenix Lending in that position it can take the necessary actions it needs to wind that down and allow Princeton to move on.
Q. So that's what Phoenix's intent is -- is going to be with respect to its acquisition and the judgment then; is that right?
A. I can't speak to Phoenix's intentions. Phoenix will make its decision as to what it intends to do with the note that it purchased.
Q. Well, that means your brother, Mr. Paul, will make that decision; correct?
A. That's right.
Q. Okay.
A. On behalf of the entity that purchased the note.
Q. So on behalf of the entity, Mr. Paul will decide the windup and receivership to get accounting to challenge the receivership fee and will take other actions with respect to the receivership note; correct?
A. I don't believe that --
MS. LITTLE: Objection. Form.
THE WITNESS: I don't think you

recounted what I said. Correctly what I said is that the new noteholder will make business decisions as to what it intends to do with the asset it purchased. And those are among possibilities, but, you know, that's irrelevant quite frankly to the resolution between Princeton.

You asked the question why it facilitated this way. And in an effort to bring finality to the open disputes between the Reorganized Debtors and Princeton, facilitating Princeton out and the purchase of its note brought all matters between Princeton and these parties to an end.

BY MS. DIAZ:

Q. Once Princeton receives the balance owed on the judgment and/or notes -- well the notes were merged into the judgment. But once it received those funds, what additional obligations would it have had to the Reorganized Debtors?

A. I think you are asking me a hypothetical question so I'm not really sure -- and a legal question. I'm not really sure how to answer it.

Q. You brought it up, Ms. Paul. I guess I just don't understand what kind of continuing obligations there would be to the Reorganized Debtors who aren't even parties to the notes, and the judgment or even ongoing obligations to World Class Capital Group or GVS. I'm not seeing why and I'm asking for you to help me understand.

A. I think what you are asking me is in the hypothetical world in which Princeton was able to fully collect on its note or judgment, what would its obligations then be. It would need to stop all collection efforts. It would need to wind down any collection efforts that it undertook. It would need to dismiss the underlying litigation. There's a whole host of things that would have to happen to seize any litigations that it commenced in connection with collection of that judgment or note. And that could be a long process.

And, so, Princeton probably had to make a determination about whether it wanted to continue in that process or sell its position, which is what a lot of lenders do when they are in this position.

Q. And if what you are describing is accurate, what benefit is there to the Reorganized Debtors to

alleviate that burden from Princeton?

A. That all of this is part and parcel to the Settlement Agreement. This entire arrangement is not severable. In order for the Reorganized Debtors to close its case, it had to come to an agreement, and a settlement as to this open adversary proceeding.

So all of that together results in the 9019 Motion that we filed and the Settlement Agreement, which resolves litigation to Reorganized Debtors.

Q. How specifically then does structuring this as a note in judgment sale benefit the Reorganized Debtors?

A. It's all part and parcel of the -- there's no way for me to answer your question because the Settlement Agreement is an entire document and that is a portion of it. And, so, over the course of several weeks of negotiation, this was the deal the parties were able to reach. So if the Reorganized Debtors want the benefit of this deal, this is the structure.

MS. DIAZ: Objection.

Nonresponsive.

BY MS. DIAZ:

Q. One of the issues that I do believe will be addressed by the Court is a demonstration that structuring the Settlement Agreement this way is in the best interest of the Reorganized Debtors. So are you unable to answer that question?

A. I believe I answered your question directly actually. I said that this was the settlement agreement the parties were able to achieve to resolve the litigation for the Reorganized Debtors. And all of the terms of it are part and parcel of that settlement.

Q. So other than the fact that this resolved the litigation with Princeton, there is nothing specific about structuring the transaction as an alleged note judgment sale that specifically benefits the Reorganized Debtors?

A. I didn't say that. I don't think you are asking a question. I do believe I have asked and answered this question a couple of time, which is that all terms of this agreement were considered, and negotiated wholistically. And it is the result of those negotiations and the total memorialization that allows us to come to this 9019 settlement.

So it's like asking me why, you know, the indemnification provision is the way it is. All of

these terms were negotiated wholistically, and arm's length and over the course of a long period of time. So I can't parse out any one particular provision and its impact. You have to look at the thing as a whole. We would not be able to come to another settlement without the terms as we have them here.

Q. Why not?

A. Because that was the parties' agreement.

Q. Who wanted to structure this as a note sale? Which party?

A. That parties -- that was the agreement of the parties.

Q. Now you had a term sheet that you just told me is enforceable if the Court doesn't approve this. And that agreement, according to the way I read it and the representations made in court by Princeton, is if negotiations fell through on a note purchased, that agreement was going to stand and Princeton would be paid directly. So --

A. That's not true. I don't even think you are asking me a question by the way. So it might be helpful to ask questions that I could answer. It sounds like you are paraphrasing or kind of arguing.

Q. Yes. Well, I'm happy to be helpful. I really just need a yes or no answer.

Are you able to tell me any specific business benefit that was rendered to the Reorganized Debtors by virtue of the fact that this deal of this alleged note sale, apart from the fulsome and wholesome settlement, is there something specific about that that you think financially or from a business perspective is beneficial to the Reorganized Debtors?

A. It is a material term to overall settlement agreement that cannot be parsed out. I feel like I tried to answer that question for you. If there's a better way for me to explain it, I'm happy to do so. But the entire structure of the settlement is wholistic.

MS. LITTLE: Ms. Diaz, I think we are going in circles here. I think it's been asked and answered multiple times.

MS. DIAZ: Well, I disagree. I'm tired, so I'm going to move on.

BY MS. DIAZ:

Q. What's the source of funds for the payment reflected in paragraph two of the Settlement Agreement?

A. Sure. So the reserve funds are currently held -- the reserve funds from where this will come are currently the Reorganized Debtors' funds. Those funds will otherwise be distributed to equity, pending the resolution of the restrictions on those funds pursuant to the court order that is currently in place.

So with this Settlement Agreement, those funds will be released to World Class Holdings I, who will then make a loan to Phoenix, who will then make the payment to Princeton. Now, as a practical matter, this will all happen simultaneously so that the title company will just direct a payment to Princeton directly at closing.

Q. Ms. Paul, let me try to parse out what I think I heard you say, to be sure I leave here understanding it today. So the monies that are going to pay Princeton are coming out of what we call the Princeton reserve, which is on hold with the Court; right?

A. It is on hold at title under court order for the benefit of Princeton.

Q. Right.

A. Yes. So as part of this, the parties are agreeing to release that reserve for this purpose.

Q. Okay. So the money that is being utilized to pay Princeton is coming from the Reorganized Debtors?

A. Yes. In the absence of the Princeton holdback, that would be a distribution to equity. So the first piece of the way this is papered is that if those funds do get distributed to equity, World Class Holdings then makes the loan to Phoenix, which is a special-purpose entity for the purposes of holding the note. And Phoenix then pays Princeton.

But as a practical matter, because all of the parties are signing onto this agreement, those funds will just be released directly from the title reserve to Princeton at closing.

Q. All right. You're saying the money would go to equity. That's step one; right?

A. Yes.

Q. And then you say the equity, which is Mr. Paul; correct?

A. No. It's World Class Holdings I, LLC.

Q. So World Class Holdings I, LLC would then make a loan to Phoenix, which is a special-purpose entity; correct?

A. That's right.

Q. And then special-purpose entity, meaning Phoenix is created solely for purposes of purchasing the notes in the judgment; correct?
A. For holding of the -- for purchasing the notes in the judgment and receiving the asset, which is the note and the judgment. The purpose of the entity is to operate as a noteholder or a lender, you could call it.
Q. And then step three after that loan is made, then the money is what?
A. Paid and purchased from the note in the judgment.
Q. That's paid from Phoenix to Princeton?
A. Yes.
Q. But I'm confused because the Settlement Agreement says and the escrow instructions say that the money is going to be released from Fidelity, the title company, directly to Princeton?
A. That's right. That's the last piece of what I said. I said as a practical matter, because all of this is happening at the same time; it's getting released directly from titles.
So what I just told you will be the internal accounting of it, but the funds will actually just go directly from the title reserve to

its note to Phoenix Lending, just like this agreement says.
Q. Is that information going to be documented in the books and records of World Class Holding I?
A. Yes. It will need to be.
Q. Is it already there? Or is it something that's going to happen in the future?
A. Well, the transaction hasn't happened. So it can't be documented yet.
Q. Okay. Similarly then I assume, if you can answer this, that Phoenix doesn't have any kind of internal accounting records that would show the terms of the loan back and forth between World Class Holdings I. Am I correct?
A. There is no back-and-forth. It's a loan. And, also, this transaction hasn't happened yet. So when the transaction -- when we get approval and the transaction happens, just like any transaction, if you buy something, sell something, pay something, whatever, it goes in the accounting books when it happens.
Q. And has a determination been made, as we sit here today, as to what the terms are going to be between Phoenix and World Class Holdings I with regarding to paying back the money on this loan?

Princeton at closing. The parties are all agreeing to that.
Q. And you mentioned in your answer something about that's what's getting papered up?
A. I don't think I said that.
Q. I thought you said that. Maybe -- I don't know if you meant papered up or internal accounting, but that's my question. Where is all of this going to be documented, if anywhere, with regard to the World Class Holding loan to Phoenix, and then the subsequent funding by pass-through, I guess you could call it, or allusion to Princeton?
MS. LITTLE: Objection. Form.
THE WITNESS: I don't think I said the word allusion. I don't think that's appropriate. This is all documented in the books and records of those companies.
BY MS. DIAZ:
Q. Which documents?
A. The ones involved in the transaction.
Q. Well --
(Simultaneous talking.)
A. -- Reorganized Debtors, World Class Holdings I, Phoenix Lending. And then Princeton is selling

A. I don't think that's relevant to the 9019 Motion.
Q. Well, you don't get to decide that, Ms. Paul. So unless your attorney instructs you not to answer, I would like to know the answer to that question.
MS. LITTLE: I'm going to object to it as outside the scope of this proceeding.
BY MS. DIAZ:
Q. Who is Phoenix -- is Phoenix going to be obligated to pay anyone back once it borrows this money from World Class Holdings I to buy the notes and the judgment?
A. Yes. It's obligated to World Class Holdings I.
Q. Okay. I'm asking if there are any determined payment terms as to how, when and in what quantities, and what if it doesn't happen, assuming that has been documented or that's going to be decided somewhere down the road.
A. I think Ms. Little just responded that that's outside the scope of the 9019 in this Motion.
Q. Well --

A. But this is between those entities are irrelevant to the 9019 Motion. And in any event, those will be documented at the time of the transaction.
Q. But not before the Court approves the settlement?
A. It's irrelevant to the approval of the settlement.
MS. LITTLE: Ms. Diaz, we should probably move away from this line of questioning to the extent you are going to continue asking about these items that are outside of the scope of the 9019 Motion.
We are also -- we have been going for about an hour and 45 minutes. And my understanding was that this was only going to be a couple of hours.
THE WITNESS: I do have an obligation at (inaudible - background sounds from parties). I was told this would be two hours. You know, I would be happy to stay, and move things if we need to, but I would have to step away and move that.

BY MS. DIAZ:
Q. Yes. So in paragraph two to the supplement agreement where it says, the assignee, which is Phoenix, shall pay for costs to be paid to Princeton. What we've just been talking about is what that is supposed to describe; am I correct?
MS. LITTLE: Objection. Form.
THE WITNESS: The structure I just described to you is the structure of the transaction. Yes.
BY MS. DIAZ:
Q. So, in other words, stuff that would normally occur in stages, like you have said, this is going to happen contemporaneously?
A. I don't think it would normally happen in stages. I think it happens all of the time that transactions close simultaneously.
Q. So --
A. There's no need for them to happen in stages and I don't think it's normal for them to happen in stages. I think here all of these parties are partied to a Settlement Agreement that's the effect of what's going to happen on the same day.
Q. So what financial benefit is there to Reorganized Debtors if their funds are used by

World Class for a single purpose entity loan to acquire notes in a judgment? I mean, can you identify any financial benefit or business benefit to Reorganized Debtors by virtue of those terms?
A. Absolutely. So the Reorganized Debtors are currently defendants, along with a lot of other people -- well, a lot of those entities to an adversary proceeding with Princeton, in which it's claiming this amount.
As long as that controversy remains open, the debtors cannot obtain a file of decree, and cannot continue to incur costs and expenses related to that litigation. And without finality of that litigation, they face a long and lengthy process, possibly multi-jurisdictional, possibly involving appeals as far as they go, for a very long time.
And, so, in any event, the only party who would ostensibly be harmed by any of this would be equity, who is consenting to the settlement. So the creditors are satisfied. Equity is satisfied. The Reorganized Debtors are satisfied. Everybody wins.
Q. When you say equity, you mean Mr. Paul; correct?
A. I mean World Class Holdings I, LLC, which is

the --
Q. Okay.
(Simultaneous talking.)
A. -- equity company in this bankruptcy proceeding.
MS. DIAZ: Let's go off the record a second.
THE STENOGRAPHER: Okay. Off the record.
(At this time, off the record.)
(At this time, back on the record.)
BY MS. DIAZ:
Q. Okay. Ms. Paul, when one of the provisions in the Assignment Agreement, which we just saw this week, it's Exhibit E of the Settlement Agreement, it requires Princeton to turn over any future payments for installments on the note or judgment to Phoenix for such account for entity as Phoenix may designate.
Do you recall that provision?
A. Yes. That's just a standard note assignment. Very standard in the industry. It's just basically obligating that since they are no longer the noteholder they shouldn't receive any benefits of the note.

Q. That's my question. There is not really future payments contemplated that are going to be coming into Princeton; correct? Once it's sold?
A. There shouldn't be. But if Princeton did get payments for some reason, then it would need to direct those over to Phoenix.
Q. And once Phoenix acquires the note, what is the balance going to be reflected as due on that note?
A. We take the note documents as they exist. So it will be the principal balance on the note and then any accrued interest, legal fees, et cetera. Everything that Princeton holds right now, Phoenix just step into its shoes. Well, we are to get a final note accounting on the date of closing. I believe it's one of the deliverables.
Q. And when the assignment agreement says that Phoenix gets to direct where any funds that come in go, is that including payments on the note from a new purchaser?
A. That's right. I mean, again that's just standard note assignment language that you would see in any note sale. Basically, just making clear to the parties that the selling lender does not retain any rights or benefits under the note.

Q. There is a provision in the Settlement Agreement that's termed effective date, but there is no specific provision in the Settlement Agreement, that I can find, that requires closing by a date certainty. Does --
A. Yeah. Well, that's because we didn't know what date the Court would set the hearing. I believe the motion indicates that our intention is to close before -- you know, as soon as possible, but before September 19, which is the 1031 exchange deadline.
But the reason there is no hard date is that we didn't -- you know, we didn't have control of when this would get heard or otherwise.
Q. Okay. There is also some conditions to closing the C and B (ph) waive. Have any of those already been waived?
A. Not that I'm aware of.
Q. What happens if the Court does not approve of the Settlement Agreement on September 14th when we go back in front of Judge Larson?
A. Can you clarify what you mean by what happens?
Q. Yeah. I -- it's really sort of intentionally a broad question. I'm trying to

understand, if the Court doesn't approve it, what is your understanding of the position of the parties that you are appearing on behalf of today with respect to what obligations you all have and what obligations Princeton has back to you?
A. So I think if the Court doesn't approve the Settlement Agreement, then the settlement Term Sheet controls the rights and obligations of the parties. And within the interpretation, there are decisions that were made inside of that that would probably be attorney/client privilege because I think those clients would then need to talk with their outside counsel about what their next steps might be.
Q. Assuming that the Court did not approve the Settlement Agreement and the Term Sheet is, in fact, enforceable and a binding agreement between the parties, what obligations would Princeton have to the parties on your side of the table when it comes to terminating receivership, substituting parties in the appeal and in the Harris County State Court option? What is your understanding of what would happen then?
MS. LITTLE: Objection. Form. Asked and answered.

BY MS. DIAZ:
Q. You can answer, Ms. Paul.
A. There are no obligations with respect of any of those things until a deal is contaminated. A deal can't been contaminated without a court approval.
Q. There is an indemnification obligation set forth in paragraph 22, excuse me, paragraph 1E of the Settlement Agreement. I'm happy to pull that up if it will be helpful.
A. Yes. I'm familiar with it. But if there's specific language you want me to look at, it may be better to pull it up. But I'm familiar with the provision.
Q. So can you explain to me how you understand it in very simple terms? What obligation is Phoenix undertaking to indemnify Princeton?
A. Princeton is indemnified -- actually, if you don't mind bringing -- pulling it up because there are so many iterations of this provision. I actually want to actually track the language of this file.
Q. Let me see.
A. You know, the best thing too is -- you know, the language in the document speaks for itself.

And so, I can kind of paraphrase it for you. But the indemnification obligation is pretty clearly articulated in the agreement.
Q. Well, I'm flipping through to find it in here. What consideration does Phoenix get in exchange for assuming the indemnification application?
A. It owns the note and the judgment. So it owns an asset.
Q. Here we go. It's paragraph E at the bottom of paragraph seven. I'm really interested in what's accepted from the indemnification obligation. I'll let you read it, and I'll scroll when you are ready.
A. Okay. You can scroll down. I think if you maximize your screen, I can see the whole provision at once.
Q. Does that help?
A. You had it maximized and then you made it small again. If you just click it once.
Q. Okay.
A. And if you will zoom out a little bit. Where it says 106 percent, if you'll make it a little smaller, like, 80 percent I should be able to see the whole thing.

Q. Yeah. Now I lost the whole document. I have to pull it back up. Hang on.
I'm interested in the part that begins towards the end of the paragraph that continues on to the page we are looking at. It says, notwithstanding anything to the contrary.
A. Can you -- you need to scroll down. There. That's good.
Q. Okay. So in this provision, Phoenix is indemnifying Princeton for any obligations or losses it incurs as a result of what? The sale of the notes?
A. As a result of -- the indemnification obligations are denied in the first part of this paragraph. It defines losses and expense. And those are the -- that is what is being indemnified.
Q. There is a footnote three tied to that section. Let's scroll down to that. It says, for voidance of doubt should a court of competence jurisdiction find that the entry into this agreement shall be deemed to be gross negligence, fraud or willfulness conduct against the Receiver, no exclusion for such gross negligence, fraud or willful misconduct shall be applicable.

What is the purpose for that behavior?
A. Well, quite honestly, the Receiver has been incredibly litigious, and the parties in disagreement couldn't imagine why in this circumstance, which benefits him as well, financially and otherwise, he would sue Princeton who he would -- who he was a judgment collector for. But, you know, we all had to contemplate that he may do that.
And so, this was just to catch all clarification. There's an expectation to the indemnified obligations that says that if Princeton commits gross negligence, fraud, or willfulness conduct, the indemnification doesn't apply. And this was just clarifying that if this agreement is deemed to be those things that is not an exclusion to the indemnified obligation. So just a clarification.
Q. Okay. You mentioned earlier in your testimony that you believe the Settlement Agreement created a path for the receiver. Do you recall saying that?
A. I do.
Q. Can you explain that?
A. Sure. Yes. So, you know, once this

settlement is resolved, the new noteholder will making a determination as to how it wishes to proceed with the collection of the note. There is an iteration which it determines it no longer needs a receiver to collect on the note, and the only thing left then for the receiver to do is to make an application for its fees, which it needs to do either way to collect on those. And the only person who can make that determination would be the state court that appointed him.
And, so, the reason this paves a path is that upon that fee application and determination of the amount, if there's a deficiency in the estates left to satisfy that fee award, this settlement actually made available an additional $3.5 million dollars to satisfy any fee-award deficiency.
So to the extent that any of the resolution of this is actually held up by the receiver himself, this should give him comfort that in connection with the finalization of the receivership, the fee award and what have you, there's no need to continue to litigate because the funds are available to make a payment of any fee award.
Q. Well, let me ask some questions for my own

clarification on that. Given that there seem to be provisions in the Settlement Agreement that permit the Phoenix entity, once it acquires the net and judgment under the Settlement Agreement, to substitute in for World Class Capital and Great Value Storage in both the Harris County action, the appeal that ensued from it and the underlying receiver action --

A. No. It wouldn't substitute in for World Class Capital and GVS. It substitutes --

Q. I'm sorry. It substitutes from Princeton.

A. Princeton. Because it's now the new noteholder. Just like, again, any time a note sells, when Wells Fargo sells a mortgage to a securitization, the new party has -- is the relevant party in those litigations. Yeah.

So Princeton no longer has standing in any of that litigation because it's not the noteholder.

Q. So I guess it's unclear to me. So is the plan then for Phoenix, once it acquires the note and judgment if the court permits it, to substitute in to proceed to terminate the receivership at that time?

A. Phoenix hasn't made a determination yet.

Q. Is it the plan of Phoenix to challenge the

receiver's fee in the Harris County action?

A. I mean --

MS. LITTLE: Objection. It's irrelevant.

THE WITNESS: Again, Phoenix can't answer that question because the receiver hasn't made a fee application. So until he does that, we don't know whether it's objectionable or not.

BY MS. DIAZ:

Q. What happens to the appeal? As I understand your settlement --

A. The simple answer is that Phoenix will make the determination to all of the litigation it's a party to at the time that the settlement occurs.

I mean, as you know and without divulging settlement communications there's also ongoing settlement communications going on with the Receiver. So we all don't know what's going to happen until this transaction comes to fruition. And it's all of our hope that we can get to a global resolution and not have to worry about any of that.

Q. What is the business reason and the settlement for leaving the appeal pending and

permitting Phoenix to step into the shoes of Princeton while the case is pending on appeal?

A. Phoenix has to step into the shoes of Princeton in any litigation involving the note and the judgment because it is the -- it will be the noteholder.

Q. And who will represent Phoenix in the appeal that's currently substituted in?

A. We haven't made that determination yet.

Q. As part of the path for the receiver -- is there a path board for the receiver that does not involve multi-various litigation?

A. Absolutely. We have actually offered that path. There was a call earlier today that we were trying to advance that path, but there was a conflict with the Receiver's counsel and wasn't able to join. But there are many, many paths that don't involve multi-various litigation.

We believe that at this point in the process reasonable people can come to an agreement, but people need to be reasonable.

Q. Even though there's not a specific closing date in the Settlement Agreement, you said you were interested in having the settlement approved by September 14 because you mentioned a September 19th

1031 deadline?

A. That's correct.

Q. Can you explain to me what's at issue with respect to that September 19 deadline?

A. Sure. So the one that 1031s work is that you got a certain amount of time, designated time, to effectuate a 1031 transaction. All funds that will be used for a 1031 need to be in exchange and used by September 19.

And, so, as part of this, funds will be released into the 1031. The couple million dollars that are going to be -- the delta between the settlement amount, the indemnification reserve and the 15 million that is currently on reserve for Princeton. So a couple more million dollars will come into exchange.

As we are finalizing the entirety of the exchange, the ability to use those proceeds before the exchange deadlines offers an enormous tax benefit.

Q. Well, this sounds like -- well, September 19th is, what, the deadline to fund the exchange?

A. To close the exchange. Yes. So any transactions made from exchange of funds has to be completed by the 19th and that's why the 14th is

important. You know, assuming we get approval on the 14th, I believe the parties' intention is to try to close on the 15th, distribute their funds to the exchange and then exchange will close out its exchange for the 19th.

Q. And is -- assuming that the court would approve this, is the 1031 on track to be able to close only the 19th?

A. Yes.

Q. Is there a contract in place with the 1031 agent?

A. That's not how to works. I think you might be confused between finalizing acquisitions or finalizing the exchange. The exchange documents are entered into day one, the date that the exchange is established.

And then you have to do certain things during the exchange period and complete those things by the 19th. And all of those exchanged documents were filed with the sale order, I believe.

Q. With the sale order in the bankruptcy court?

A. Yes. At the time that we had -- my recollection is that -- in any case, all of this is irrelevant to the 9019 to the extent that -- the

point is that the way 1031 works is that you have to complete all of the 1031 transactions by -- I think it's 180 days from the date the exchange is opened. So that's the governing time frame.

Q. I am not by any means an expert on 1031 exchanges, but I'm trying to understand if there had been target properties, replacement properties, and all of those things identified and that are ready to go, and it's just a funding issue for the 19th. Is that where you are?

MS. LITTLE: Objection. Relevancy.

THE WITNESS: Yes. I don't think it's relevant. But for purposes of completeness so there aren't any issues here, the 1031 is not a single -- it's not one transaction. There are rolling transactions that you use the funds over the course of that 180 day period.

So, for example, we are now in the process of all transactions by the 19th. The ability to have those additional funds in the exchange for the 19th makes funds available for the tax benefits of the 1031. And the 180 days is an IRS deadline.

BY MS. DIAZ:

Q. Okay. If for some reason the funds weren't available on the 19th, is there like a next deadline where they can be utilized for purposes of another one of the exchanges?

A. No. That's a hard deadline. It cannot be moved. It's statutory.

Q. Is all that's required at this point to complete that particular exchange, the release of funds -- the use of funds from whatever source?

A. I don't think that --

MS. LITTLE: Objection. Irrelevant.

THE WITNESS: I don't think these questions are relevant. And, quite honestly, we are probably getting into business strategy and things like that for the 1031 exchange.

But the relevance here is that for the exchange, getting those funds into the exchange -- I don't mean to be disrespectful. I think you might just have a misunderstanding about what it means to close out the exchange.

To close out the exchange

means we have to use all of the funds that were in the exchange by that date. So if the monies are not in the exchange, they can't be used. And so, we need to keep all monies in the exchange so that as we close out the exchange, they were all used for that purpose.

BY MS. DIAZ:

Q. Yes. I'm just trying to understand. That's been part of the reason for exigency being argued in connection with the approval for settlement. And that was the basis for my questions.

A. Yes. I think I have answered those questions, which is that the funds that will be put in the exchange will be used by the exchange deadline. That's the purpose of the exigency.

Q. Let me ask you a couple quick questions about the releases that the parties are planning to give each other under this agreement if it's approved.

On page 10, there's the release by the Great Value parties. I'll put that up on your screen. There is a provision at the bottom. There's an exclusion from the release for any claim or cause

of action against any third party, including the Receiver seeking damages or the return or recovery of monies, properties or assets otherwise take and seize, transferred or conveyed, blah blah blah, and as a result of the dismissal of the pending appeal.

What was the business purpose for excluding those two items from the release given by Great Value in this case?

A. Can you scroll down?

Q. Sure.

A. Yes. So, as you are probably aware, there's a ton of litigation that responded of the Receiver's. The impropriety of the Receiver's actions. And the parties here just want to be sure that these releases could not be inadvertently read to waive the right of any parties that were affected by -- any third parties that were affected by the Receiver's actions that are currently subject of other litigation.

Q. It talks in here about monies or properties, take and seize, transfers conveyed or otherwise removed from the parties' concession or control presumably on behalf of the Receiver.

Are there specific complaints?

A. Well, we have asked and Princeton has asked

the Receiver for accounting of those thing, which we have not been able to obtain. So in the absence of that, we took a broad sweep and described everything that could possibly be implicated.

Q. Okay. I note that at the very bottom of that paragraph it says, nothing prohibits the World Class release parties from seeking recovery, monetary or otherwise from Princeton in connection with an appeal action. Is that referring to the Harris County appeal?

A. I think appeal action is a defined term there in the preceding sentence. So it's the pending action or appeal action which Princeton is a named party related to the judgment. I don't know off the top of my head, but I'm happy to consult with counsel and get back to you.

But, again, the point in here was to ensure that none of the parties rights or what litigation would continue after the settlement would be affected.

Q. What litigation do you envision continuing on after the settlement?

A. Well, there's a lot of litigation that's -- all litigation that's currently in place will continue in the absence of resolution of those, but

those don't affect the Reorganized Debtors. So I don't think it's relevant to the 9019. Those are all state court matters.

Q. With respect to the appeal in the first district court in Harris County, because it will remain pending if the settlement is approved, do you have an understanding, based upon your familiarity with the Settlement Agreement, what will happen if World Class Capital Group and/or GVS win the appeal?

A. Do --

MS. LITTLE: Objection. Irrelevant.

THE WITNESS: Do you want me to try to answer that? It's getting way outside the bounds of what I think we are here to discuss today in the 9019. But if you guys think it's relevant, then I'm happy to -- I don't --

MS. DIAZ: I would --

THE WITNESS: Sorry. One moment. Janine, she is asking me for litigation strategy related to state court parties that the Reorganized Debtors are not a party to. So I'm

concerned about getting in that topic area.

MS. LITTLE: I'm going to put on the record that we think it's completely irrelevant to the 9019 Motion, but you can answer, Ms. Paul.

THE WITNESS: Well, actually I believe Judge Larson also cautioned, you know, not to get into other litigation.

So the short answer, Ms. Diaz, is that I don't know. I think that obviously that that will be a determination for the court of appeals. So I don't know.

But I do think that we should all be considerate of the fact that there's multiple litigation and multiple jurisdictions for multiple parties, and try to keep this related to the 9019 Motion of the Reorganized Debtors if we can.

The appeal -- I will just clarify too for purposes of the record and for the Court, should they look at this, is that the appeal and the appeal

action have no bearing on the Reorganized Debtors.
BY MS. DIAZ:
Q. Thank you. That does clarify.
Let me move on to the release that's being given by Princeton here. The first part of this release Princeton releases your brother, Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls in whole or in part.
This is something I was asking about earlier in the deposition. How do we know who was getting released by Princeton in this particular portion of paragraph seven?
A. I think the language is clear. But to the extent there are parties that you are concerned about or irrelevant to you we are happy to help clarify that, whether -- I think this conversation has been going on for a couple of days now. But if there is a particular party, or entity or whatever that you are concerned about, these releases run from Princeton to the parties. So I have no idea how they would implicate your client in any event.
Q. I'm just curious that --
A. I think this is pretty standard language in

releases that are trying to be broad as far as walking away from each other.
Q. Okay. Well I am just -- for example, would it be your position, looking at the language of paragraph seven, that this release would release any claims that Princeton has against any of the debtors in the Austin bankruptcy cases?
A. Princeton doesn't currently have any claims against those parties. They don't have any claims against those parties that I'm aware of.
Q. Well, they may not be pending. But to the extent they have any, do you believe this release is something that released the claims against those Austin debtors?
MS. LITTLE: Objection. Form.
THE WITNESS: You are asking me a hypothetical question. If Princeton hypothetically had a claim against the western district debtors which it does and has not filed, would it release them? Is that what you are asking me?
BY MS. DIAZ:
Q. I'm asking you if this release is -- the language that says that Princeton is releasing whatever claims it may have against entities that

are owned or controlled, in whole or in part, by Natin Paul, doesn't that necessarily include the Austin debtors?
A. It includes everybody, but the reason for that is because Princeton is no longer the noteholder. So the fact that Princeton is choosing to release everyone related to its former borrowers makes perfect sense; right? It's no longer a lender.
And just to be very clear on the record, Princeton has not brought any claims in the western district against any of the debtors. So I think it's irrelevant to frame the question that way and ask the question that way. But if there is a relevance or concern you have, we are happy to address that with you.
Q. Then in paragraph eight of exceptions to the release of Great Value parties in subpart C reserved any present or future claim appeal litigation by the Great Value parties against the receiver, or its agents attorneys or representatives. Why was that accepted from the release?
A. It's part of the terms.
Q. What was the business purpose?

A. To preserve the rights to those parties against the parties enumerated therein.
Q. Does this exception to the release offer any benefit to the Reorganized Debtors?
A. Yes. It's part and parcel of the overall 9019 agreement that provides a huge benefit to the Reorganized Debtors in the resolution of its Chapter 11 cases and adversary proceeding with finality.
Q. The provisions obviously are not in the best interest of the Receiver though, is it?
A. I actually --
MS. LITTLE: Objection.
THE WITNESS: I disagree and I would like to take a moment to clarify that. The Receiver -- whatever potential liability the Receiver has, those exist regardless of this agreement. So this agreement does not create more liabilities or exposures to the Receiver or otherwise. Those exist outside.
So you have intimated a lot of times that, you know, this is going to respond additional litigation for the

Receiver. So the extent that that is the case, I don't believe that this agreement, you know, exacerbates that or minimizes that. Those facts exist on their own, separate and apart from this.

MS. DIAZ: Object to the answer as nonresponsive.

BY MS. DIAZ:

Q. Isn't the primary purpose of a settlement agreement, Ms. Paul, to bring the receivership to an end to stop ongoing lawsuits, stop further discovery by the Receiver abate proceedings involving the Receiver. Isn't the Receiver a big part of an agreement that he's not a party to?

A. No.

MS. LITTLE: Objection. Form.

BY MS. DIAZ:

Q. Okay. If the Settlement Agreement were modified by the Court after the hearing on September 14th to say that she would approve it if all of those preservations of rights against the Receiver and potential impact on litigation, whether forms could be eliminated from it, is that something that, based on your understanding and having participated in the negotiations, something

benefits under the note at that time. And I think a lot of things can change between now and then. So I don't really know how to answer your question.

MS. DIAZ: Okay. If you guys would indulge me, I think if we take about a five-minute break I can maybe shorten up how much more I have.

THE WITNESS: Sure.

MS. LITTLE: Sounds good.

THE STENOGRAPHER: All right. Off the record.

(At this time, off the record.)

(At this time, back on the record.)

BY MS. DIAZ:

Q. Ms. Paul, are you pretty familiar with the work that the Receiver has done on Princeton's behalf as being appointed as Receiver?

A. Yes or no. As I mentioned, we haven't received any receivership report in accounting. So I'm not very familiar because we can't get that information.

Q. Do you have any opinion, based on what you do know, as to whether or not Mr. Kretzer has been an effective receiver for Princeton?

that the Reorganized Debtors would be willing to entertain?

A. I don't think we have discussed the hypothetical situation you are describing so I can't answer your question. It's a vague hypothetical situation in any event. But if the Court makes certain determinations, I think the Reorganized Debtors will consult their counsel at that time and determine how best to proceed.

Q. Do you agree that the Settlement Agreement as drafted clearly contemplates additional litigation against the Receiver?

A. No.

Q. As you sit here today, do you have any basis for telling me what happens to the other pending litigation against the Receiver once Phoenix takes over and steps into Princeton's shoes?

MS. LITTLE: Objection. Relevance. Form.

THE WITNESS: I think -- there is so much litigation I don't think it's possible to answer your question. But I will broadly answer it by saying that Phoenix will make the determinations as to its rights and obligations and

A. I don't have an opinion.

Q. Do you have an opinion as to whether any of the actions undertaken by him in his capacity as receiver benefited Princeton in the settlement negotiations that led to the agreement that we are here to discuss?

A. I don't believe that they did.

Q. Are there any actions that you are aware of that have been taken by the receiver that you find objectionable?

A. General speaking?

Q. Yes.

A. Yes.

Q. Can you tell me about those please?

A. Those are set forth in the various litigations that was found over his actions. I think those pleadings speak for themselves.

Q. If the settlement is approved, and Phoenix becomes the holder of the notes and/or judgment and the receivership order is still in place, do you have an opinion as to whether or not Mr. Paul would be interested in having the receiver continue on on behalf of Phoenix?

MS. LITTLE: Objection. Irrelevant.

THE WITNESS: Yes. I don't think it's relevant and I don't have an opinion at this time.

BY MS. DIAZ:

Q. If the Houston Court of Appeals issued a ruling today on the pending appeal and ruled in favor of Great Value Storage and World Class Capital Group, would it be the position of the parties that you are here testifying on behalf of that there would be any obligations currently existing to Princeton?

MS. LITTLE: Objection. Irrelevant and calls for speculation.

THE WITNESS: And, Janine, I don't think I can answer that question. She is asking about -- I think she is asking about litigation strategy in the pending appeal, which is irrelevant to the 9019.

In any event, that would be information that those parties discuss with their outside counsel and we haven't discussed that hypothetical anyway. So I don't know how to answer your question.

MS. DIAZ: Okay. Well, with that

I'm going to make good on my promise this afternoon and pass the witness, if anyone else is going to be asking questions.

MS. LITTLE: No further questions from us.

MS. DIAZ: Okay.

THE STENOGRAPHER: And expedite for y'all?

MS. LITTLE: Yes. As soon as possible please. Thank you.

THE STENOGRAPHER: Thank you. And Ms. Diaz?

MS. DIAZ: Yes. We will need it expedited quickly as well.

THE STENOGRAPHER: Sure. Thanks. Ms. Diaz, can you please e-mail me the four exhibits? I'll get those to our production team today.

MS. DIAZ: Yes.

- - -

(Whereupon, Zoom deposition of SHEENA PAUL concluded at approximately 4:55 p.m. CST.)

WITNESS CORRECTIONS AND SIGNATURE

Please indicate changes on this sheet of paper, giving the change, page number, line number and reason for the change. Please sign each page of changes.

PAGE/LINE CORRECTION REASON FOR CHANGE

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SHEENA PAUL

I, SHEENA PAUL, have read the foregoing transcript and hereby affix my signature that same is true and correct, except as noted on the previous page(s), and that I am signing this before a Notary Public.

_____

SHEENA PAUL

State of Texas)

County of _____)

Before me, _____, on this day personally appeared SHEENA PAUL, known to me or proved to me under oath or through

_____

(description of identification card or other document), to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this, the ____ day of _____, 2022.

_____

Notary Public for and in
The State of Texas
Commission Expires _____

STENOGRAPHER'S CERTIFICATION
TO THE ZOOM DEPOSITION OF
SHEENA PAUL
TAKEN ON SEPTEMBER 9, 2022

I, Noelle R. Nevius, a Professional Stenographer, hereby certify that this deposition transcript is a true record of the testimony given by the witness named herein.

I further certify that I am neither attorney nor counsel for, related to, nor employed by any of the parties to the action in which this testimony was taken. Further, I am not a relative or employee of any attorney of record in this cause, nor do I have a financial interest in the action.

The original deposition transcript was delivered to the attorney party who asked the first question appearing in the transcript on September 9, 2022. Ms. Cheryl Diaz, Esquire was the attorney present via Zoom at the time of taking this deposition.

September 12, 2022

Noelle R. Nevius, Professional Stenographer

September 12, 2022
Ms. Sheena Paul,
RE: In Re: GVS Texas Holdings I. LLC, Et Al.
DEPOSITION OF: Sheena Paul (# 5434030)

The above-referenced witness transcript is available for read and sign.

Within the applicable timeframe, the witness should read the testimony to verify its accuracy. If there are any changes, the witness should note those on the attached Errata Sheet.

The witness should sign and notarize the attached Errata pages and return to Veritext at errata-tx@veritext.com.

According to applicable rules or agreements, if the witness fails to do so within the time allotted, a certified copy of the transcript may be used as if signed.

Yours,
Veritext Legal Solutions

Federal Rules of Civil Procedure

Rule 30

(e) Review By the Witness; Changes.

(1) Review; Statement of Changes. On request by the deponent or a party before the deposition is completed, the deponent must be allowed 30 days after being notified by the officer that the transcript or recording is available in which:

(A) to review the transcript or recording; and

(B) if there are changes in form or substance, to sign a statement listing the changes and the reasons for making them.

(2) Changes Indicated in the Officer's Certificate. The officer must note in the certificate prescribed by Rule 30(f)(1) whether a review was requested and, if so, must attach any changes the deponent makes during the 30-day period.

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Veritext Legal Solutions represents that the foregoing transcript is a true, correct and complete transcript of the colloquies, questions and answers as submitted by the court reporter. Veritext Legal Solutions further represents that the attached exhibits, if any, are true, correct and complete documents as submitted by the court reporter and/or attorneys in relation to this deposition and that the documents were processed in accordance with our litigation support and production standards.

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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

EXHIBIT 5

IN RE:	)	CASE NO: 21-10942-TMD
	)	CHAPTER 7
	)	
6TH AND SAN JACINTO, LLC,	)	Austin, Texas
	)	
	)	Monday, August 22, 2022
Debtor.	)	
	)	2:49 p.m. to 3:28 p.m.
IN RE:	)	
	)	
WC SOUTH CONGRESS SQUARE, LLC,	)	CASE NO: 20-11107-TMD
WC 3RD AND TRINITY, LP,	)	CASE NO: 21-10252-TMD
WC CULEBRA CROSSING SA, LP,	)	CASE NO: 21-10360-TMD
ARBORETUM CROSSING, LLC,	)	CASE NO: 21-10546-TMD
WC 717 N HARWOOD PROPERTY, LLC,	)	CASE NO: 21-10630-TMD
WC MET CENTER, LLC,	)	CASE NO: 21-10698-TMD
WC 511 BARTON BLVD, LLC,	)	CASE NO: 21-10943-TMD
WC ALAMO INDUSTRIAL CENTER, LP,	)	CASE NO: 22-10226-TMD
WC BRAKER PORTFOLIO, LLC,	)	CASE NO: 22-10293-TMD
	)	
Debtor.	)	

MOTIONS HEARING

BEFORE THE HONORABLE TONY M. DAVIS,
UNITED STATES BANKRUPTCY JUDGE

CALENDARED MOTIONS: See pages 2, 3

APPEARANCES: See page 4

Courtroom Deputy: Jennifer Lopez

Court Reporter [ECRO]: Ren Schoener

Transcribed by: Exceptional Reporting Services, Inc.
P.O. Box 8365
Corpus Christi, TX 78468
361 949-2988

Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

CALENDARED MOTIONS:

6TH AND SAN JACINTO, LLC CASE NO: 21-10942-TMD
STATUS HEARING: OBJECTION TO CLAIMS 5-6/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR 6TH AND SAN JACINTO, LLC [DKT.NO.139]

MOTION FOR PROTECTION FOR INTERESTED PARTIES WORLD CLASS HOLDINGS, LLC, NATIN PAUL [DKT.NO.175]

DEBTOR'S OBJECTION TO CLAIM #8 BY NIA, ATX, LLC [DKT.NO.165]

WC BRAKER PORTFOLIO, LLC CASE NO: 22-10293-TMD
STATUS HEARING: OBJECTION TO CLAIM 3/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR WC BRAKER PORTFOLIO, LLC [DKT.NO.105]

WC SOUTH CONGRESS SQUARE, LLC CASE NO: 20-11107-TMD
STATUS HEARING: OBJECTION TO CLAIM 6/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR WC SOUTH CONGRESS SQUARE, LLC [DKT.NO.260]

MOTION FOR PROTECTION FOR INTERESTED PARTIES NATIN PAUL, WORLD CLASS HOLDINGS VI, LLC, WORLD CLASS HOLDINGS, LLC [DKT.NO.320]

WC 3RD AND TRINITY, LP CASE NO: 21-10252-TMD
STATUS HEARING: OBJECTION TO CLAIM 6/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR WC 3RD AND TRINITY, LP [DKT.NO.178]

MOTION FOR PROTECTION FOR INTERESTED PARTIES WORLD CLASS HOLDING COMPANY, LLC, WORLD CLASS HOLDINGS, LLC, WCRE MANAGEMENT, LLC, NATE PAUL MANAGEMENT TRUST, WC 3RD AND TRINITY GP, LP, NATIN PAUL [DKT.NO.234]

WC CULEBRA CROSSING SA, LP CASE NO: 21-10360-TMD
STATUS HEARING: OBJECTION TO CLAIM 11/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR WC CULEBRA CROSSING SA, LP [DKT.NO.345]

MOTION FOR PROTECTION FOR INTERESTED PARTIES NATIN PAUL, WC CULEBRA CROSSING SA GP, LP, WORLD CLASS INTERESTS, LLC, WCRE MANAGEMENT, LLC, WORLD CLASS HOLDINGS, LLC [DKT.NO.357]

CALENDARED MOTIONS: (CONTINUED)

ARBORETUM CROSSING, LLC CASE NO: 21-10546-TMD
STATUS HEARING: OBJECTION TO CLAIM 7/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR ARBORETUM CROSSING, LLC [DKT.NO.144]

MOTION FOR PROTECTION FOR INTERESTED PARTIES NATIN PAUL, ARBORETUM CROSSING EQUITY, LLC, WCRE MANAGEMENT, LLC, WORLD CLASS HOLDINGS, LLC [DKT.NO.158]

WC 717 N. HARWOOD PROPERTY, LLC CASE NO: 21-10630-TMD
STATUS HEARING: OBJECTION TO CLAIMS 14-15/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR WC 717 N HARWOOD PROPERTY, LLC [DKT.NO.187]

MOTION FOR PROTECTION FOR INTERESTED PARTY WCRE MANAGEMENT, LLC [DKT.NO.233]

WC MET CENTER, LLC CASE NO: 21-10698-TMD
STATUS HEARING: OBJECTION TO CLAIMS 10-11/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR WC MET CENTER, LLC [DKT.NO.164]

MOTION FOR PROTECTION FOR INTERESTED PARTIES NATIN PAUL, WORLD CLASS PROPERTY COMPANY, LLC, WC MET CENTER EQUITY, LLC, WCRE MANAGEMENT, LLC [DKT.NO.199]

WC 511 BARTON BLVD, LLC CASE NO: 21-10943-TMD
STATUS HEARING: MOTION TO WITHDRAW OR STRIKE DOCUMENT [DKT.NO.144]

WC ALAMO INDUSTRIAL CENTER, LP CASE NO: 22-10226-TMD
STATUS HEARING: OBJECTION TO CLAIM 5/SETH KRETZER WITH NOTICE THEREOF, FOR DEBTOR WC ALAMO INDUSTRIAL CENTER, LP [DKT.NO.79]

MOTION FOR PROTECTION FOR INTERESTED PARTIES WORLD CLASS PARTNER HOLDINGS X, LLC, WCRE MANAGEMENT, LLC, NATIN PAUL [DKT.NO.99]

APPEARANCES FOR:

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NIA ATX:	MORRIS E. "TREY" WHITE, III, ESQ. Villa & White 1100 NW Loop 410 Suite 802 San Antonio, TX 78213
Also present:	STEPHEN A. ROBERTS, ESQ. 1400 Marshall Ln. Austin, TX 78703
	RICHARD WRIGHT, ESQ.
	MATT BOUSLOG, ESQ.
	STEVE LEMMON, ESQ.
	PHIL KHEZRI, ESQ.
	MARK RALSTON, ESQ.
	MS. ROSS [FNU], ESQ.
Receiver:	LYNNETTE R. WARMAN, ESQ. Culhane Meadows 13101 Preston Rd. Suite 110-1593 Dallas, TX 75240
Trustees:	JAY ONG, ESQ. Munsch Hardt Kopf & Harr 1717 West 6th Street Suite 250 Austin, TX 78703
	BRIAN CUMINGS, ESQ.
	KEVIN MCCULLOUGH, ESQ.
	NANCY RIBAUDO, ESQ.

Austin, Texas; Monday, August 22, 2022; 2:49 p.m.

(Call to Order)

THE COURT: Okay, *6th and San Jacinto, LLC*, 21-10942, Debtor's objection to the claim number eight by NIA ATX. And who do we have for the Debtor?

MR. HEADDEN: Good afternoon, Your Honor, Todd Headden on behalf of the Debtor, 6th and San Jacinto, LLC.

THE COURT: Okay. And who do we have on behalf of NIA ATX?

MR. WHITE: Good afternoon, Your Honor, Trey White for NIA ATX, LLC.

THE COURT: Okay. Well, in the words of that renowned and learned philosopher Yogi Berra, why isn't this *déjà vu* all over again?

MR. WHITE: Well, Your Honor, I'll be happy to respond to that. But just a few minutes ago we did reach an agreement.

THE COURT: Oh, okay. Go ahead then, announce the agreement.

MR. WHITE: Be happy to, Judge. We have agreed to drop the attorney's fees, and the Debtor has agreed to pay the default interest from July 8, 2021.

THE COURT: Okay. Mr. Headden, is that correct?

MR. HEADDEN: That is correct, Your Honor.

THE COURT: Okay. And then how will you memorialize

this?

MR. WHITE: We can do an agreed order.

MR. HEADDEN: Precisely.

THE COURT: I think that's fine. Okay. Well I'll look forward to seeing your agreed order. Thank you both.

MR. WHITE: Thank you, Judge. May I be excused?

THE COURT: Yes. Okay. Now we have a motion for protection in a bunch of cases and we have an objection to claim by Kretzer in a bunch of cases.

And I'm going to hope that Mr. Headden accurately captured those cases in the pleading he filed earlier today that was called Debtor's status report. I'm just going to read those cases because this will be all -- those two sets of matters in all these cases more or less: WC South Congress Square, 20-11107; WC Third and Trinity, 21-10252; WC Culebra Crossing, 21-10360; Arboretum Crossing, 21-10546; WC 717 North Harwood, 21-10630; WC Met Center, 21-10698; 6th and San Jacinto, 21-10942; WC 511 Barton Boulevard, 21-10943; WC Alamo Industrial Center LP, 22-10226; WC Braker Portfolio, 22-10293.

Is the Receiver's attorney on the phone?

MR. SPEAKER: I'm listening (indisc.).

MS. WARMAN: Yes, Your Honor, Lynnette Warman on behalf of the Receiver.

THE COURT: Okay. Ms. Warman, have you read the status report and the discussion of this term sheet?

MS. WARMAN: Yes, Your Honor, I have.

THE COURT: And?

MS. WARMAN: Well, Your Honor, I think their big announcement may be great for Princeton and the Debtors. But in my view it's not a get out of jail free card with respect to the Receiver's claims in these cases. And the reason I say that is these claims were filed in these cases by the Receiver seeking to collect both the judgment and the Receiver fees.

Princeton never appeared in these cases, didn't file proofs of claim, and so any settlement they may have reached in other cases regarding this Debtor may ultimately have some impact in the amount of the Receiver's claim, but they certainly can't settle it out from under the Receiver.

The receivership order that's been presented to this Court on numerous times specifically provides that the Receiver's fees are taxed as costs against the Debtor, which means that the Receiver's authorized to seek and recover 125 percent of the judgment, plus expenses.

In addition to that, as I understand it, they have a term sheet which is at best preliminary. It has to be documented, it has to be approved by the Bankruptcy Court in Dallas, and it has to be ultimately paid and closed. So there are a number of steps to go through before that proposal or that term sheet actually resolves Princeton's claim.

In the meantime, the receivership goes on. Texas law

is clear that once a court appoints a receiver, it is no longer the prerogative of the plaintiff to decide whether that receivership should continue.

And if it does come to pass that Princeton really is paid pursuant to the terms of the Receiver, it will have -- or, excuse me, pursuant to the terms of its agreement, it will have to go back to the receivership court, make that known, and the receivership court will decide what to do and how best to make sure that the receivership fee is paid if we haven't collected it before that time.

So in my view abatement is not appropriate. We've been waiting for these documents now for a long time. And it's not just the Receiver that's waiting. The Trustees have been waiting as well.

There were statements in the Debtor's status report that they provided the documents to their lawyers, so it shouldn't be any sort of a burden for the lawyers to give them to us and to the Trustee so that we can complete our analysis.

Just this morning we received a copy of a bank statement in the Barton case, for example, that Debtor's counsel had said didn't exist. So we are still gathering our evidence.

And we are closer to a position where we could amend our claim if we need to do that. But we certainly would like the information we need to finish filling in the blanks before

we do that.

So as far as we're concerned, Your Honor, while the announcement is big news, it does not really have much impact in this case. And we would urge this case -- this Court rather to deny their request for an abatement, order them to produce this document, and allow these matters to go forward until and unless they get an order from the receivership court saying that the Receiver should -- the Receiver no longer has authority to act. And right now --

THE COURT: So --

MS. WARMAN: -- we are a long way from that.

THE COURT: Yeah, so ordered. I mean, Ms. Ross certainly has credibility in this court but she has no control over or influence with the individual who ultimately must make the decisions about whether or not to assign the term sheet, sign a settlement agreement pursuant to the term sheet, follow through in that term sheet, fund the settlement, and so on and so on and so on.

These documents are long overdue. A term sheet's not going to move me in any way whatsoever. My patience has run out. And an order --

MR. ROBERTS: (Indisc.)

THE COURT: -- to show cause is going to issue.

MR. ROBERTS: Your Honor, Steve Roberts. May I address your points --

THE COURT: No, not yet. I'll give you your chance, Mr. Roberts, but --

MR. ROBERTS: Thank you.

THE COURT: -- I need to run through this first.

MR. SPEAKER: Oh, (indisc.) wins, it's great.

THE COURT: If you're not speaking, your phone should be on mute or you'll be disconnected.

Okay. We've been talking about eight sets of documents that I felt should have been produced pretty much immediately. Have they been produced?

MR. HEADDEN: Your Honor, Todd Headden --

MS. WARMAN: No, Your Honor, they have not been produced.

THE COURT: Mr. Headden.

MR. HEADDEN: That is correct that the documents have not been produced (indisc.) --

THE COURT: Okay. All right. Thank you. Okay. The relevant period, for purposes of responding to the discovery, shall be seven years, except with respect to formation documents and corporate records, which obviously there's no relevant period there. It just goes back to whenever the Debtor was formed.

The protective order will be granted. It's pretty much denied across the board.

I am going to grant it, though, as to numbers 24, 25,

26, and 28. And I guess just in case our numbers don't line up, let me flip to those. Yeah, 24 was all documents reflected in a contract or agreement with the staffing agency; 25, all documents reflected in any PPP loan application; 26 is all documents reflected in any agreements evidencing the employment of any person by you, on your behalf, or by company (indisc.) or other organization in which you own an interest or in which an interest is held on your behalf; and 28 was all documents evidencing the names of your employees and their compensation during the relevant period.

Those -- I'm not saying you can never have those. Right now I'm saying, no, I'm going to grant the protective order as to those requests.

And then tell me -- and I'm -- we're going to come back to this, all documents reflecting any contract or agreement with Yardi, and I think I know what that is, has to do with that accounting system; all documents reflecting any contract or agreement with SiteLink. And I don't know what that is. Why do you want those documents anyway?

MS. WARMAN: Your Honor, it's our understanding that those are both accounting systems that are used by some or all of the Debtors, and that's where the relevant information is stored, balance sheets, income statements, how things are allocated among the companies. At least that's our understanding and that's the basis for the request.

THE COURT: Okay. Well I'm not --

MS. WARMAN: But at this point I think we were just asking for the contracts to see which Debtors had contracts with Yardi and SiteLink.

THE COURT: Okay. Then the motion's denied as to both those requests. I've got a bigger issue with all those. But let me get back to my notes here.

Yeah. I mean, I'm going to get you the order to show cause.

I'm going to make available the entire range of sanctions that are available, including the death penalty sanction, which is to say Mr. Paul's not going to get a penny out of any of these estates, including the ones in which he's actually funded the recovery by bidding at these auctions and the ones I know he didn't close on one a couple days ago but he's -- I guess he's closed on several of them, using money from that case in Dallas. But he's not going to get a penny until this production's completed in some form or fashion.

And I -- you know, I don't -- obviously the bank statements you're getting independently. You ought to have gotten them from the Debtors. That's a big problem with me.

But the Yardi system, the accounting systems, why haven't the Trustees and the Receiver collaborated, come up with an expert? I mean, and I want this to happen because all these answers are there. Now, if there's some cost issue

that's associated with this and the Trustees just don't think they need it, explain that to me.

But it seems to me that as I've said many times, this cash sloshed around amongst all these companies where it was needed without regard to the creditors for whom that -- you know, to whom that money arguably belonged.

And you're never going to sort out where all that comes out unless you get control of and understand this accounting system. And there are answers there. The attorneys representing the lender in Culebra Crossing came up with a lot of information that they pulled off that system that they compared to the bank statements. And so there's a lot to be had there.

And so what I don't -- you know, you tell me why you can't do this and then I'll open up a discussion right now. I mean, there ought to be a collaborative approach pooling, you know, the various estates and then the Receiver in some sense. I don't know how you -- if you do this on a per capita basis, on a size of the estate basis.

But some way or another there has to be an agreement to come with an expert that's going to crack open Yardi. And he will be given access. That expert will have full access to Yardi with all passwords and everything else. And if that's a problem, we'll get an even bigger forensic expert and he'll just crack it open.

MS. WARMAN: Your Honor, from the Receiver's perspective, we have had some conversations with the Trustee. I think everyone was sort of waiting to see if we were going to get some documents before (indisc.) --

THE COURT: You're not going to get anything. You might as well assume you're not going to get anything.

MS. WARMAN: But I -- so I'll just say this. The Receiver would be willing to move forward with working with the Trustees on that.

THE COURT: Mr. Ong.

MR. SPEAKER: Your Honor, may I be heard for one moment (indisc.) --

THE COURT: Yeah, you guys will get your turn, you and (indisc.) --

MR. ONG: Your Honor, --

THE COURT: Go ahead, Mr. Ong.

MR. ONG: Jay Ong for Randy Osherow, Trustee of a number of these bankruptcy estates. Your Honor, we have had conversations with Mr. Kretzer's counsel regarding these potential initiatives.

I will profess that we have not taken a lead role in these matters, including because we have managed to successfully sell the asset in three of our cases. And as a result of that, that renders the cases reliably, or at least reasonably reliably to be surplus cases, which diminishes the

Trustee's interest in --

THE COURT: (indisc.)

MR. ONG: -- potential fraudulent transfers.

But I understand the Court's admonition. And we do have at least some continuing such matters. And we'll coordinate with the Receiver's counsel, as well as with Debtor's counsel and counsel for the other Trustees.

THE COURT: Mr. Cumings.

MR. CUMINGS: Brian Cumings, Your Honor, for Trustee Osherow in one of the cases, and Trustee Lowe in the others.

There is at least one of the Mr. Lowe cases which is not at all clear will be a surplus case so we definitely do have an interest in getting into the Yardi system. And like Mr. Ong said for Mr. Osherow, we'll cooperate absolutely with the Receiver's counsel, the Trustee's counsel, to sort out how to allocate the expense of doing that.

THE COURT: The other Trustee counsel.

MR. MCCULLOUGH: Your Honor, Kevin McCullough on behalf of Laurie Rea, Trustee in the Arboretum case and the WC 717. I've interviewed some of Yardi experts and we've been working on an application to employee one as we speak.

THE COURT: Okay. Very good. Anybody else?

MS. RIBAUDO: Yes, Your Honor. This is Nancy Ribaudo with Kelly Hart. I'm counsel for Dawn Ragan who's the Chapter 11 Trustee in the WC Braker Portfolio case.

I just wanted the Court to be aware, this case is late to join the party, so to speak. The case was only filed in May of this year, Trustee appointed the end of May. I'm still getting up to speed at this point.

Unlike the other Debtors, no discovery's been served on this particular Debtor. We've reached out and had conversations with counsel for the Trustee, talking about the role of the Chapter 11 Trustee acting as -- on behalf of the Debtor in these cases. And I believe we're on the same page.

But with that said, we certainly have already opened the dialogue with respect to having access to whatever information is obtained by the Receiver and will continue to do so as we move forward in the case.

But unlike many other debtors, and this was pointed out in the Receiver's status report that was filed in July, you know, there hasn't been any discovery served in -- against the Debtor in this particular case. I just want to point that out.

THE COURT: Okay. Thank you. Anybody else?

MR. LEMMON: Your Honor, Steve Lemmon. I represent Alliance Transportation Group which is an unsecured creditor in the Braker case.

I want to make two observations, if the Court will allow me. First is --

THE COURT: Please.

MR. LEMMON: -- as somebody who in one of the other

cases has had access to Yardi, I can tell everyone that it is not that complicated. Once you have access to it, it doesn't take that long to learn how to walk through it. So there's -- there shouldn't be this mystique about the system once you're able to access it.

Secondly, as the Court observed, money has flown, flowed, flown all around these Debtors. And unless somebody has full access, as the Court observed, you really can't figure where it came from or why. And somebody needs to do that.

I can tell you speaking as a representative of an unsecured creditor in Braker, I am very concerned by the fact that we still do not have all of the bank statements, Your Honor. And really until somebody can see all of those bank statements, it's a problem.

And, Judge, I've been watching all of these cases carefully for two and a half years. And my observation, if the Court will permit me to allow -- to offer it is this World Class seeks the protection of the Bankruptcy Court when it is in its interest, and World Class ignores every order issued by any court when it is not in its interest.

And while the Court's admonition and statement that it's not going to allow World Class to be paid its equity until it complies is very powerful. I personally believe that we will not see real compliance in any of these cases unless the Court fully enforces its show cause authority (indisc.) against

the entity but against the individuals.

THE COURT: Okay. Thank you. Anybody else on the Trustee or creditor side?

MR. KHEZRI: Your Honor, Phil Khezri, Lowenstein Sandler on behalf of Sangrill (phonetic) Investments, an equity holder in Third and Trinity. I've spoken before.

There are equity holders here with clean hands. We -- my client has become increasingly frustrated here. Legal fees are accruing, Trustee fees are accruing here, for something that should have been turned over by right under the Bankruptcy Code.

Nate Paul has not provided documents in this case, has taken money out of these cases. And it doesn't look like anybody has been able to properly investigate.

And I don't know if the Court would be open to considering appointing an examiner over all the World Class entities to actually review what happened here. But in the meantime, I don't believe any funds should be transferred in any of these cases to World Class or Nate Paul.

And to the extent Nate Paul is looking to purchase any properties, I don't believe free and clear language is appropriate in any of those sale orders.

THE COURT: Okay. Thank you. Any other creditors or Trustees?

MR. WRIGHT: Judge, My name is Richard Wright

(phonetic), and I'm an unsecured creditor. I'm an equity investor in WC Alamo. And I echo what the gentleman just said. I've --

THE COURT: Okay.

MR. WRIGHT: -- been an investor from the beginning. I haven't received any reports, balance sheets, financial statements since 2018. Thank you for the time.

THE COURT: Thank you. Anybody else?

MR. BOUSLOG: Matt Bouslog from -- on behalf of ATX Braker in the WC Braker case. We -- at risk of repeating to some extent some comments from some other creditors, we are a creditor and we represent a creditor of the WC Braker estate. We also represent a separate entity which is a mezzanine lender of effectively the equity holder of the Debtor.

And while we certainly understand and agree with the Court's and the other parties' sentiments here, we would simply ask that with respect to any OSC or any remedy or enforcement, that to the extent possible it be narrowly tailored as to World Class, the individuals, and not, as other equity holders have said, those that might otherwise benefit from any distributions that might be made in those cases.

THE COURT: I appreciate your point. I know it's been pointed out before, and it's been on my mind ever since I started considering this notion of sanctions.

MR. BOUSLOG: Thank you, Your Honor.

THE COURT: Anybody else on the creditor or Trustee side?

(No audible response)

Okay. Mr. Roberts, I think it's your turn.

MS. ROSS: Your Honor.

THE COURT: Oh, sorry. Go ahead, yes.

MS. ROSS: Go ahead. I didn't mean to interrupt whoever it was that was on the line. Go ahead.

THE COURT: Go ahead, Ms. Ross.

MS. ROSS: Okay, Your Honor. Thank you, Judge. I do consider myself a creditor, even though I'm not a creditor. My client has been of course the -- we are the person that put the -- we are the entity that put the receivership in.

I do want to tell the Court a couple of things. We -- it is my -- first of all, I do support the abatement that has been requested and that the Court has now denied. But I wanted to let you know I support it.

And part of the reason, Judge, that I support it is because I do intend to immediately turn my head towards trying to negotiate a resolution of the dispute between the Receiver and the entities that have -- that he has taken action against in the bankruptcy proceedings before your Court.

The bottom line on this, Judge, is that I don't think anybody benefits from the continuation of this. At this point, the -- Nate Paul has agreed to pay my client in full. And now

I want to turn my head towards getting the Receiver into a position where the Receiver can be dismissed and paid.

So just letting the Court know that I do still support the abatement. But if the Court is not inclined to grant an abatement of ten days or so, then so be it. Thank you.

THE COURT: Thank you. Mr. Roberts.

MR. ROBERTS: Yes, Your Honor. If I can back up a minute, Your Honor, and advise the Court what's happened. And as is often the case, the timing is unfortunate. But timing is often not in control of the Debtor.

What has been filed is a motion to abate based on a binding term sheet to reduce to a settlement agreement only consistent and containing the terms of the term sheet so that, for example, (indisc.) language is fleshed out.

The funds for paying that are already in reserve in the GVSH (phonetic) bankruptcy case for Princeton's claim. The motion requires the Bankruptcy Court in the Northern District of Texas to approve the settlement. It does not rely on Mr. Paul coming up with funds to fund the settlement. It doesn't really rely on the settlement agreement because what we have is binding. The parties have agreed to go for an expedited hearing to get that approval.

As it relates to Mr. Kretzer's claim, Mr. Kretzer has two avenues. One is he's pursuing fraudulent transfers

purportedly on behalf of Princeton, which Princeton does not want to pursue and does not need to pursue.

As his counsel pointed out, he's also pursuing fraudulent transfer claims on the theory he's entitled to fees. And I would like to address that for just one minute.

Under the order, counsel --

THE COURT: Mr. Roberts.

MR. ROBERTS: Yes.

THE COURT: I mean, I think I know where you're going. What you need to understand is that stuff is not being produced. It's long overdue.

MR. ROBERTS: May I finish, Your Honor? I understand what you're saying but I'd like to make a record here.

THE COURT: Go ahead.

MR. ROBERTS: So as to Kretzer's claim, he's not entitled to any fees. He's entitled up to 25 percent of what Princeton gets paid, possibly, depending on what the court in Houston says.

Mr. Kretzer's already collected $3 million. Mr. Kretzer can't explain to this Court why he needs to pursue fraudulent transfer claims. And that is the only basis upon which Mr. Kretzer needs these documents.

I'll turn to the Trustees in a minute. But I would ask the -- re-urge the Court to just reset this for a week and let the sky clear and let the judge see that you have a

settlement, we have a motion, and let Kretzer explain what's left.

As to the Trustees, but for one case the elimination of the Kretzer's claim creates solvent estates with surpluses. And I'll get to the exception in a moment. So they -- instructing the Trustees to move forward for a investigation going back seven years in a solvent case does not result in any possible causes of action, and the investigations have no purpose.

I certainly understand your frustration with the lack of document production. And I would hope you understand that our concerns about providing this information to Mr. Kretzer.

Mr. Kretzer's conduct is a matter for the State courts. But as you've seen in your own court, Mr. Kretzer has stepped in at WC Culebra, stopped a sale, cooperated with another lender to give him the property, with no accounting and no money going to Princeton.

That's one of many examples. So lots of issues with Mr. Kretzer's use of information that has been produced in other cases. Whether the Court agrees with that concern, it conflicts with their discovery rights, and it's a difficult issue. But as to the Trustees --

THE COURT: What motion have you filed with respect to that?

MR. ROBERTS: Filed a motion with respect to what,

Your Honor?

THE COURT: Mr. Kretzer's alleged misbehavior.

MR. ROBERTS: There -- the receivership order was appealed to the First Court of Appeals in Houston. It's been argued and we're waiting for a decision.

THE COURT: Right.

MR. ROBERTS: If the First Court of Appeals strikes that, that has a dramatic effect on Mr. Kretzer's rights.

THE COURT: And that hasn't happened yet.

MR. ROBERTS: (Indisc.) happening in State court, the State court is waiting to see.

THE COURT: So we're just stonewalling in documents until all the other legal avenues are possibly pursued.

MR. ROBERTS: No. The WC entities have done one more very significant thing. If Mr. Kretzer doesn't have a claim against these estates, if Princeton files under the motion -- under the agreement, Princeton's going to file a motion to wind up and terminate the receivership. Mr. Kretzer has to provide an accounting.

If Mr. Kretzer has in fact recovered $3 million, there's no basis for a fraudulent transfer claim even on his behalf. He has no standing and no need for these documents. That's what Mr. Kretzer's counsel has not informed you of.

As to the Trustees, I think you've had Trustees already say if I have a surplus case, I don't need to go back

through all those years of information, I have a surplus case.

So one case there's not a surplus case yet --

THE COURT: Mr. Roberts.

MR. ROBERTS: I'm sorry.

THE COURT: This is really simple. If somebody is in good faith responding to a document request, they'll produce some documents. They'll do something. They won't completely thumb their nose at the bankruptcy process by not turning over a single document. Do you see the problem here?

MR. ROBERTS: I do see the problem, Your Honor. And I think that has something to do with why the case has been settled. And this case has been settled. I'd ask the Court to consider that and put that in perspective.

MS. ROSS: Your Honor, may I add one thing? This is Ms. Ross. And I don't want to --

THE COURT: Go ahead.

MS. ROSS: If the Court doesn't want to hear from me, that's fine. Your Honor, I have (indisc.) for ten days straight to get my client in a position to get its full claim paid. And that is what I have successfully negotiated.

And I am now going to turn my head to, in the next ten days, trying to resolve the issues with the Receiver as well, while at the same time asking the Bankruptcy Court in the Northern District of Texas to release the money that was put there on behalf of my client.

So the only thing that I would say, Judge, is that I personally will commit to you that if you abate for ten days only, that I will do everything in my power to negotiate and try to get the matters with the Receiver resolved. That's all I can promise. And --

THE COURT: Go ahead, Mr. Roberts.

MS. ROSS: -- that's all I have to say, Judge. Thank you.

THE COURT: What else, Mr. Roberts?

MR. ROBERTS: Your Honor, I think if you put these two things together, I'm not going to stand before you and argue that the WCC entities have operated, have produced documents as they have -- should have.

But you might consider the possibility that's a direct -- rather than produce the documents, rather than expose their businesses to further seizures of bank accounts, seizures of property without proof, rather than expose themselves to further damage, my client's chosen to settle. So there is no reason for Mr. Kretzer to produce the documents.

If we have a Trustee that has an insolvent estate that -- and if that particular estate says, I still need that information, we can address that and we can address it in good faith because counsel for the Debtors have the documents.

And otherwise, just looking at the number of lawyers on this phone, we (indisc.) --

THE COURT: All precipitated by your failure to produce the documents.

MR. ROBERTS: I understand. But what we haven't --

THE COURT: Mr. Ralston, what have you got?

MR. ROBERTS: -- failed to do is settle. Thank you.

MR. RALSTON: Your Honor, just a point. And I don't mean to speak for either Mr. Ong or Mr. Cumings. But we did have last week a 341 meeting held by Mr. Osherow in all of the WC cases that he's handling.

And as I think has been stated, Mr. Osherow indicated in that 341 meeting that -- combined 341 meeting as it were, because he's handling numerous cases -- that apart from Mr. Kretzer's claims, he views the estates that he's involved with as being solvent and that he is trying to limit the administrative expenses as a result of that.

And I think what the -- as I understand this agreement between I believe the GVS entities and Princeton Capital, although it is a binding settlement agreement, it's not just a -- it's not an agreement to agree, as I understand it, but it is a settlement agreement laying out binding terms --

THE COURT: I've been -- I was informed of it, what, at noon today?

MR. RALSTON: Your Honor, I think there was -- I think the parties, Mr. Ross and I believe the Mr. Morrison, who

represents GVS, I think he is on the call, I think they were still working out terms today. I don't think it was -- and it certainly was not anything intentional on the part of those parties. But I think they were working feverishly to get something done.

And they could speak to that, Your Honor. I'm Debtor's counsel. I'm not counsel for GVS. That would be the World Class entity that would -- as I understand it would be funding the settlement.

So, Your Honor, I think we're in a position with a short abatement, which should not prejudice Mr. Kretzer, especially if Ms. Ross is able to achieve a resolution, would -- of ten days is not going to prejudice anyone.

And it may just create an opportunity where Mr. Kretzer and Princeton are paid off, that -- with the exception, as I understand it, of one estate -- the remaining estates are solvent and these cases can be wrapped up expeditiously.

THE COURT: Well, I'm all in favor of Princeton being paid, let me say that.

MR. KHEZRI: Your Honor, --

THE COURT: (Indisc.) wholeheartedly -- I wholeheartedly encourage that that settlement get funded and approved. And I can't say enough -- and I will consider that when I conduct a hearing on the show cause order.

MR. KHEZRI: Your Honor, Phil Khezri for --

THE COURT: And the comments -- excuse me.

MR. KHEZRI: Sorry.

THE COURT: The comments made about how many of these estates are solvent and maybe only one is insolvent, that's helpful. It's kind of just information that's floating out there. If somebody were to put together a chart, a pretty simple chart, and demonstrate that, that would be helpful, too. But otherwise it's --

MS. SPEAKER: Your Honor, --

THE COURT: -- full speed ahead. Mr. --

MS. SPEAKER: Your Honor, --

THE COURT: -- Khezri I think wanted to talk.

MR. KHEZRI: Yes, Your Honor. Thank you so much. Phil Khezri, Lowenstein Sandler again, representing Sangrill Investments, an equity holder in Third and Trinity.

Even if Third and Trinity is solvent, those books and records must have been turned over to the Trustee. That is required under the Bankruptcy Code. The Trustee should have possession of all the books and records. There's no exception for the estate being solvent here. There are equity holders who likely have been defrauded here.

So even if the Receiver is paid off, those books and records should be turned over to the Trustee. And equity holders and creditors have a right to review what happened

prebankruptcy. There are causes of action here, possibly even subordination of Nate Paul's equity interest or other World Class equity interests in the estate.

So I don't think that argument that these estates are solvent is grounds for not turning over books and records that are required under the Bankruptcy Code. These entities availed themselves of bankruptcy protections. They have obligations that go with that. And they are picking and choosing which rules apply to them going forward in this bankruptcy case.

THE COURT: Okay.

MR. HEADDEN: Your Honor, Todd Headden, if I may just briefly (indisc.) finish up some of this. I do want to go back and address some of the points that have been made in regards to a chart for solvency or surplus cases. That is something that the Debtor certainly can put together and would be happy to do so.

There is a pretty big difference between providing documents to the Trustees, all of whom are court-appointed fiduciaries, and turning over documents to Kretzer, given the history that I think has been laid out and the Court is well aware of. I'm not going to belabor that point. But that is obviously the sticking point for the Debtors. We don't frankly trust the Receiver and what they would do with the additional information.

So the Debtors are trying to wrap these cases up in

good faith. As has been indicated here, a number of these cases are (indisc.) surplus cases. And we're moving as quickly as we can into the settlement and trying to get that motion filed on an expedited basis, both of the -- of I-35 and after that settlement is entered by Judge Larson, then they can take it down to State Court in Houston. Thank you.

THE COURT: Okay. The motion to abate's denied. The motion for protective order is denied except as to document categories 24, 25, 26, and 28.

We're going to reset all this stuff to Monday, September 26th. There will be a show cause hearing on that day.

I will consider whether or not (indisc.) gets paid off, what effect that might have on Kretzer. I do want to take into account the interest of equity holders who are not part of the Nate Paul group of entities or companies.

Some actual production of documents would be helpful, would be very helpful --

MR. LEMMON: Your Honor, --

THE COURT: -- because even if Kretzer magically disappears, even if, the failure to produce is going to be considered.

MR. HEADDEN: Your Honor, is there a time on the 26th?

THE COURT: Two forty-five.

MR. LEMMON: Your Honor, may I speak briefly?

THE COURT: Briefly.

MR. LEMMON: Could I just ask that the Court include any order that Mr. Paul personally appear before the Court?

THE COURT: Yes. Thank you. All right. We're adjourned.

(This proceeding was adjourned at 3:28 p.m.)

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

August 27, 2022

Signed **Dated**

TONI HUDSON, TRANSCRIBER

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dlipp@lipplegal.com
Envelope ID: 74500731
Filing Code Description: Response
Filing Description: Receiver's Reply To Appellants and Appellee's Responses to Court's March 30, 2023 Order
Status as of 4/11/2023 7:47 AM CST

Associated Case Party: Great Value Storage, LLC

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Ann Kennon		akennonassistant@gmail.com	4/10/2023 7:08:58 PM	SENT
Jesseca Wilson		jesseca@kretzerfirm.com	4/10/2023 7:08:58 PM	SENT
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Associated Case Party: Princeton Capital Corporation

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Associated Case Party: World Class Capital Group, LLC

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