UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

GRANT SIDNEY, Inc., ***FAWN WEAVER AND*** ***KEITH WEAVER*** **Appellants,** **v.** ***FARM CREDIT MID-AMERICA, PCA,*** **Appellee.**	)	**DKT. NO. 26-5492**

MOTION TO WITHDRAW AS CO-COUNSEL

COMES NOW, Michael E. Collins and Manier & Herod, P.C., and hereby move to withdraw as co-counsel to Grant Sidney, Inc., Fawn Weaver, and Keith Weaver (collectively, the "Appellants") in the above-captioned matter. In support of this Motion, the Movants assert as follows:

1. Manier & Herod, P.C. filed the notice of appeal on behalf of the Appellants to initiate this appeal.

2. Curtis D. Johnson, Jr. of Johnson & Johnson, P.C. has filed an Appearance of Counsel on behalf of the Appellants [Dkt. 2] and will be handling the appeal on behalf of the Appellants as lead counsel.

3. Accordingly, the Movants seek to withdraw as co-counsel in this matter.

4. In light of Mr. Johnson handling this appeal moving forward, this withdrawal will not prejudice any party or this appeal.

WHEREFORE, Manier & Herod P.C. and Michael E. Collins respectfully request that the Court grant this petition to withdraw as co-counsel in this matter and grant such other relief as is appropriate.

Respectfully Submitted,

MANIER & HEROD, P.C.

/s/ Michael E. Collins

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served through the ECF system on all parties registered to receive electronic notices and by U.S. Mail as follows on June 2, 2026:

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FAWN WEAVER AND	)	
KEITH WEAVER	)	
	)	
Appellants,	)	
	)	**DKT. NO. 26-5492**
	)	
v.	)	
	)	
FARM CREDIT MID-AMERICA, PCA**,**	)	
	)	
Appellee.	)	

EMERGENCY MOTION TO STAY PORTIONS OF THE DISTRICT COURT'S MAY 12, 2026 ORDER (DKT. ENT. 197) AND MAY 26, 2026 ORDER (DKT. 198) PENDING APPEAL

COMES NOW, Appellants Fawn Weaver, Keith Weaver, and Grant Sidney, Inc. ("Appellants"), and respectfully move pursuant to Fed.R.App.P.8(a) for a stay of portions of the District Court's May 12, 2026 Order (Dkt. 197) and May 26, 2026 Order (Dkt. 198) pending appeal.

Appellants do not seek to stay the receivership in its entirety, but only those portions of the Orders that expand the receivership to Grant Sidney, Inc. ("Grant Sidney") and authorize asset sales that may impair meaningful appellate review.

1. An immediate administrative stay pending this Court's consideration of this Motion;

2. An immediate stay pending appeal of those portions of the District Court's May 26, 2026 Order (Dkt. 198) expanding the receivership to Grant Sidney.

3. An immediate stay pending appeal of those portions of the District Court's May 12, 2026 Order directing publication, overbid procedures, and a June 11, 2026 hearing on the Receiver's proposed sale of the Martha's Vineyard property, and any further receivership asset-sale activities pending appeal; and

4. Such further relief as may be necessary to preserve the *status quo* and ensure the availability of meaningful appellate review.

INTRODUCTION

Appellants, Fawn Weaver, Keith Weaver and Grant Sidney, seek a stay of portions of two District Court Orders pending appeal pursuant to Fed. R. App. P. 8(a) and the interlocutory appellate-jurisdiction provisions in 28 U.S.C. § 1292(a)(2). The Orders are as follows:

1. The portions of the May 26, 2026 Order (Dkt. 198) expanding the receivership to Grant Sidney; and

2. The portions of the May 12, 2026 Order (Dkt. 197) directing publication, overbid procedures, and a hearing on the Receiver's proposed sale of the Martha's Vineyard property, and any further receivership asset-sale activities pending appeal.

Appellants believe a brief recitation of the parties will assist the Court. Fawn Weaver and Keith Weaver are the creators of Uncle Nearest, Inc. ("Uncle Nearest"), a Delaware corporation engaged in the production, marketing, and distribution of premium spirits. Grant Sidney, Inc. is a California holding company and an Appellant in this matter. Uncle Nearest operates an international brand and maintains assets that include inventory, intellectual property, and ongoing business operation. Uncle Nearest received a loan from Farm Credit Mid-America, PCA ("Farm Credit") during the operation of the business under the stewardship of Fawn Weaver, the founder and controlling shareholder of Uncle Nearest.

On July 28, 2025, Farm Credit filed a breach-of-contract lawsuit against Fawn Weaver, Keith Weaver, Uncle Nearest, Inc., Nearest Green Distillery, Inc., and Uncle Nearest Real Estate Holdings, LLC.[1] Simultaneously with the filing of the litigation, Farm Credit moved for the appointment of a receiver over the collateral of Uncle Nearest, Inc., Nearest Green Distillery, Inc., and related entities. This motion was ultimately granted on August 22, 2025, in the District Court, Eastern Division, before any discovery had been obtained[2] and over the objections of the Weavers and the Board of Directors of the Uncle Nearest. However, the

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[1] *See,* Case No. 4:25-cv-00038-CEA-CHS, *Farm Credit Mid-America, PCA v. Uncle Nearest, Inc. et al*

[2] *See*, ECF No. 39, Order Appointing Receiver.

Receivership Order did not expressly address whether Uncle Nearest's Board of Directors retained authority to commence a bankruptcy proceeding.

On March 19, 2026, the Uncle Nearest filed a voluntary petition for relief under Chapter 11 in the United States Bankruptcy Court for the Eastern District of Tennessee. Shortly after the petition was filed, the Receiver moved to dismiss the case, asserting that the Receivership Order exclusively granted authority to the Receiver to file a bankruptcy petition. No discovery was conducted, no evidentiary record was developed, and no creditors were heard. The bankruptcy court concluded, based solely on its interpretation of the Receivership Order, that the Receiver alone possessed authority to commence a bankruptcy proceeding on behalf of Uncle Nearest and dismissed the bankruptcy.

Litigation continued in the District Court between the parties listed above until the District Court issued the Orders that necessitate this Emergency Motion. First, the Order of May 12, 2026 initiates the court-directed process for disposing of unique real and personal property in Martha's Vineyard on an expedited schedule. Absent a stay, Appellants will suffer harms that cannot be fully undone on appeal, including continued displacement from control of business affairs and the risk that the sale of the Martha's Vineyard property and other receivership assets will moot or substantially impair effective appellate relief.

Thereafter, on May 26, 2026, the Court also filed a lengthy (62) sixty-two page Order on the Motion to Reconsider the Memorandum Opinion and Order (See, Dkt. Ent. 32), the Order Appointing Receiver (See, Dkt. 39) and to Stay Access to Proprietary Information. (See, Dkt. Ent. 91). Moreover, the Court ruled on the Motion for Clarification of Receivership Order (See, Doc. 41) which the Court construed as a motion to **expand** the receivership, and which was GRANTED IN PART and DENIED WITHOUT PREJUDICE IN PART. Specifically, the Motion was granted as to Grant Sidney, which is now included in the receivership estate.

This Emergency Motion seeks only to preserve the *status quo* while this Appellate Court reviews the (2) two orders referenced above from the immediate and potentially irreversible consequences. These Orders and their inevitable impact on the Appellants cannot be denied and has forced the Appellant to seek redress from this Court on an emergency basis. Because the Order of May 12, 2026 sets a compressed schedule for publication, overbids, a compliance reporting, and a June 11, 2026 hearing, engenders this request for an immediate administrative stay to preserve the *status quo* while the panel considers the stay motion.

As stated above, this case is part of ongoing litigation that originated in bankruptcy court involving these same parties in interest. On March 17, 2026, Uncle Nearest Inc., filed a voluntary petition for relief under Chapter 11 of the

Bankruptcy Code.[3]On March 18, 2026, the Receiver filed a motion to dismiss the case.[4] Thereafter, on March 19, 2026, the bankruptcy court conducted an expedited hearing on the motion and entered an order granting dismissal of the case within *one day* of the Receiver's filing, both from the bench and by written order.[5] [6]

On March 20, 2026, the Uncle Nearest filed a Notice of Appeal.[7]

On March 23, 2026, after the Notice of Appeal had been filed, the bankruptcy court entered a Supplemental Memorandum Opinion setting forth its findings of fact and conclusions of law.[8]

The Appellants moved the District Court to allow the Appellant's interlocutory appeal and as it is an appeal from bankruptcy court the ability to appeal to the Sixth Circuit requires the District Court's permission to do so. At this writing, the District Court has not ruled on the Motion for Emergency Appeal making the probability of harm greater at each passing day. This Court has the authority to grant a stay pending appeal under Fed. R. App, Pro. 8(a)(2). As mentioned *supra*, the Appellants sought relief in the form of an interlocutory appeal in the District Court on the dismissal of the bankruptcy of Uncle Nearest,

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[3] Voluntary Petition, Bankr. Dkt. No. 1 (Mar. 17, 2026).
[4] Receiver's Motion to Dismiss, Bankr. Dkt. No. 8 (Mar. 18, 2026).
[5] Mar. 19, 2026, Hearing Tr., at pg. 47 lines 13-19.
[6] Order Granting Motion to Dismiss, Bankr. Dkt. No. 48 (Mar. 19, 2026).
[7] Notice of Appeal, Bankr. Dkt. No. 49 (Mar. 20, 2026).
[8] Supplemental Mem. Op., Bankr. Dkt. No. 72 (Mar. 23, 2026).

Inc., two (2) months ago and to date there is no ruling on this request. The current request of Fawn Weaver, Keith Weaver and Grant Sidney, is the first appeal in this forum and is an appeal as of right from a final Order.

The sale order requires immediate publication, sets a June 5, 2026 overbid deadline, a June 9, 2026 report deadline, and a June 11, 2026 hearing, creating a compressed schedule under which meaningful appellate relief could be lost before the district court could act.

Since the filing of the Orders at issue, the Receiver has also disclosed that he has entered into a signed Letter of Intent for the sale of substantially all assets of Uncle Nearest, Inc., Uncle Nearest Real Estate Holdings, Inc., and Nearest Green Distillery, Inc., and anticipates execution of a formal Asset Purchase Agreement within approximately forty-five (45) days. The pace of these developments further underscores the need to preserve the status quo pending appellate review, as the transfer of assets to third parties may substantially impair this Court's ability to afford meaningful relief should Appellants prevail on appeal.

The challenged May 26, 2026 Order likewise expands the receivership to Grant Sidney, and permits continued receivership control during the same period. Fed. R. App. P. 8(a)(2)(A)(i).

II. APPELLATE JURISDICTION

This Court has interlocutory appellate jurisdiction under 28 U.S.C. § 1292(a)(2), which authorizes appeals from interlocutory orders appointing receivers, refusing to wind up receiverships, and taking steps to accomplish receivership purposes, including directing sales or other disposals of property. In the alternative, to the extent any component of the challenged orders is injunctive in operation, jurisdiction also exists under 28 U.S.C. § 1292(a)(1).

Under Rule 8 of the Federal Rules of Appellate Procedure, [a] party must ordinarily move first in the district court for an injunction pending appeal. This is [t]he cardinal principle of stay applications. *Baker v. Adams Cnty./Ohio Valley Sch. Bd.*, 310 F.3d 927, 930 (6th Cir. 2002) (per curiam) (alterations in original) (first quoting Fed. R. App. P. 8(a)(1)(C); and then 16A Wright, Miller, & Cooper, Federal Practice and Procedure § 3954 (3d ed. 1999)). Appellants in this case can demonstrate that moving first in the district court would be impracticable. Fed. R. App. P. 8(a)(2)(A)(i).

First, the District Court has denied stay-related relief requested in the Motion for Reconsideration filed by Appellants on December 23, 2025. That request remained pending for approximately five months before being resolved by the Court's May 26, 2026 Order. Therefore, a previous request for a partial stay of the effects of these orders has already been denied by the District Court. Given, the fact

that the District Court has set a date for a hearing on the sale of the Appellants' property for June 11, 2026, there is simply no time to present this application to the District Court.

Second, in related appeals from the dismissal of a chapter 11 bankruptcy petition, Uncle Nearest has filed an emergency motion to preserve the status quo (See *Uncle Nearest, Inc., et. al., v. Young,* Case No. 3:26-cv-00135, ECF No. 24)[9] which requests a stay of proceedings in this case. The Court has taken no action on that motion. Meanwhile, the Receiver has disclosed a signed Letter of Intent for the sale of substantially all assets of Uncle Nearest, Inc., Uncle Nearest Real Estate Holdings, Inc., and Nearest Green Distillery, Inc., with execution of a formal Asset Purchase Agreement anticipated within approximately forty-five (45) days. Therefore, given that these matters remain pending without decision while asset-sale activities continue to advance, further applications would be futile.

Based upon the foregoing, the Appellants respectfully submits that moving first in the district court would be impracticable. The challenged Orders have already set in motion an expedited sales process that will begin on June 11, 2026, and absent immediate relief, Appellants will suffer irreparable harm before the district court could reasonably hear and decide an emergency stay motion. Given the short time

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[9] Identical motions have been filed in Case No. 3:26-cv-00135 and 3:26-cv-00136, which are companion cases which have not yet been consolidated.

frame, the nature of the threatened harm, and the need for prompt appellate review, district-court relief is not realistically available in time to prevent the injury.

III. RELEVANT DISTRICT COURT ORDERS

a. Order Expanding the Receivership to Grant Sidney.

On May 26, 2026, the district court denied Grant Sidney's motion to reconsider the receivership-related rulings and expanded the receivership to include Grant Sidney, a separate holding company. The court's order expanded the receivership to include Grant Sidney, thereby subjecting Grant Sidney to ongoing receivership control pending appeal.

b. Order directing sale procedures for the Martha's Vineyard Property

On May 12, 2026, the district court entered an order under 28 U.S.C. § 2001(b) directing publication of notice, setting overbid procedures, requiring a receiver's report, and setting a June 11, 2026 hearing on the Receiver's proposed sale of the Martha's Vineyard property and associated personal property.

IV. STATEMENT OF ISSUES PRESENTED

1. Whether appellants are entitled to a stay pending appeal under Fed. R. App. P. 8(a) where the appeal presents at least serious questions as to whether the district court abused its discretion by continuing or refusing to revisit an extraordinary federal equity receivership and by expanding the receivership to include Grant Sidney.

2. Whether appellants will suffer irreparable harm absent a stay because continued receivership control, the expansion of the receivership to Grant Sidney, and ongoing asset-sale activities inflict noncompensable injury that cannot be fully remedied on appeal.

3. Whether appellants will suffer irreparable harm absent a stay of the Martha's Vineyard sale procedures and other receivership asset-sale activities because the challenged Orders set in motion an expedited process toward asset dispositions that may result in practical mootness and irreversible changes before appellate review.

4. Whether the balance of harms and the public interest favor a stay where temporary relief would preserve the status quo, protect this Court's ability to grant effective relief, and impose only delay-related harm on the Receiver and opposing parties.

V. STANDARD FOR A STAY PENDING APPEAL

A stay pending appeal is governed by the familiar four-factor test:

(1) likelihood of success on the merits;

(2) irreparable injury absent a stay;

(3) substantial injury to other parties if a stay issues; and

(4) the public interest.

See, Serv. Emps. Int'l Union Loc. 1 v. Husted, 698 F.3d 341, 343 (6th Cir. 2012) (internal quotations omitted); *see also, Mich. Coal. of Radioactive Material Users, Inc. v. Griepentrog*, 945 F.2d 150, 153-54 (6th Cir. 1991). These factors

are interrelated and must be balanced. A movant need not show certainty of success but must show at least serious questions going to the merits. *Mich. Coal. of Radioactive Material Users, Inc. v. Griepentrog*, 945 F.2d 150, 153-54 (6th Cir. 1991).

A district court "necessarily abuses its discretion when it commits an error of law." *S. Glazer's Distribs. of Ohio, LLC v. Great Lakes Brewing Co.*, 860 F.3d 844, 854 (6th Cir. 2017). And the court's determination as to likelihood of success is a legal conclusion that is reviewed de novo. *Fowler*, 924 F.3d at 256.

Appellants will address each of the four factors below.

VI. **ARGUMENT**

A. APPELLANTS ARE LIKELY TO SUCCEED ON THE MERITS.

Appellants are likely to succeed on the merits because the Expansion Order extends an extraordinary equitable remedy beyond traditional limits and rests on factual inferences contradicted by the record before the district court. The Order places Grant Sidney, Inc. ("GSI"), a separate non-operating California holding company, into receivership despite the absence of completed findings establishing fraud by GSI, alter-ego conduct, operational unity, misuse of corporate form, concealment of assets, or imminent dissipation. Most importantly, the Expansion Order expands receivership control first and directs investigation later. Under settled

principles governing federal receiverships, corporate separateness, clear-error review, and equitable restraint, Appellants have demonstrated a substantial likelihood of success on appeal.

Although district courts ordinarily receive deference regarding factual determinations, the Supreme Court has cautioned:

> This is not to suggest that the trial judge may insulate his findings from review by denominating them credibility determinations.... Documents or objective evidence may contradict the witness' story; or the story itself may be so internally inconsistent or implausible on its face that a reasonable factfinder would not credit it. Where such factors are present, the court of appeals may well find clear error even in a finding purportedly based on a credibility determination.
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> *Anderson v. City of Bessemer City*, 470 U.S. 564, 575 (1985).

That principle applies here. The Expansion Order relies heavily on adverse credibility findings while discounting objective records showing GSI's separate existence, the traceability of the MP-Tenn funds, and the absence of any retained proceeds by GSI or Ms. Weaver.

The most significant merits issue is apparent from the Expansion Order itself: the receivership was expanded before the court required the Receiver to complete the investigation necessary to determine whether GSI actually held receivership assets or whether less drastic remedies would suffice. The court ordered:

> "The Receiver is DIRECTED to promptly investigate whether and to what extent Grant Sidney, Inc. holds any assets that rightly belong to Uncle Nearest, Inc., Nearest Green Distillery, Inc., Uncle Nearest Real Estate Holdings, LLC, or any of the

> 'Subject Entities' as that term is defined in Paragraph 2 of the Order Appointing Receiver."
>
> Expansion Order, Doc. 198, PageID #7814–7815.

The court further ordered:

> "This report SHALL also state the Receiver's position on whether Grant Sidney, Inc. should remain in receivership or whether other less drastic measures could be used to recover any improperly diverted assets."
>
> Id., Page ID #7815.

Thus, the district court did not first find that GSI actually possessed receivership assets and that less drastic remedies were inadequate. It expanded the receivership and then directed the Receiver to investigate those questions within sixty days. Id., Page ID #7814–7815. That sequence presents a substantial appellate question regarding necessity, proportionality, and the traditional limits of equitable relief.

The record before the district court also showed that GSI was not an operating affiliate created to evade Farm Credit or conceal receivership assets. GSI presented evidence that it was formed in California in 2013, approximately three years before Uncle Nearest, Inc. was created, and that it maintained separate corporate existence, separate tax reporting, separate financial records, and separate corporate books. Grant Sidney Supplemental Brief, Doc. 160, Page ID #6807–6811; Weaver Decl., Doc. 160-1, Page ID #6829–6832. The district court itself recognized that "Grant Sidney, Inc. is a California corporation whose sole shareholder is Fawn Weaver,"

and that GSI is "a holding company" owning approximately 30% of Uncle Nearest. Expansion Order, Doc. 198, PageID #7804–7805. The court further acknowledged that GSI is a "passive holding and investment entity" and "does not have operations the receivership might disrupt." Id., Page ID #7807.

The documentary record also materially undermines the Expansion Order's treatment of the MP-Tenn transaction. GSI presented evidence that the February–April 2025 capital infusion was documented through written approvals, a note purchase agreement, two convertible promissory notes, and a related side letter. Weaver Decl., Doc. 160-1, PageID #6832–6834. GSI further showed that the funds were received into a dedicated Uncle Nearest money-market account, temporarily routed through a GSI account, and disbursed to Uncle Nearest operating accounts, payroll vendors, packaging vendors, and other vendor obligations. Grant Sidney Supplemental Brief, Doc. 160, PageID #6808–6814; Weaver Decl., Doc. 160-1, PageID #6833–6835. GSI also presented evidence that "[n]o funds—principal or accrued interest—were retained by Grant Sidney or by [Ms. Weaver] personally," and that there were no transactions between GSI and Uncle Nearest before February 2025 or after April 2025. Weaver Decl., Doc. 160-1, PageID #6835.

The objective records supported that account. Schedule 1.1 to the Subordinated Credit Agreement identified GSI as "Lender," listed an initial term loan commitment of $20,026,270.00, and itemized the funding dates and amounts.

Doc. 160-1, PageID #6898–6899. The reconciliation exhibit then matched the actual disbursements to the amounts listed in the Subordinated Credit Agreement / Forbearance Agreement. Doc. 160-2, PageID #6970. Those records included payments to Uncle Nearest, Inc., Genesis Global, Berlin Packaging, Marabou, Domaine D'Anatole, S1 Organic Vodka, and other operating counterparties. Id.

The district court acknowledged that "it appears that, at least on the current record, the funds diverted to Grant Sidney flowed back to Uncle Nearest." Expansion Order, Doc. 198, PageID #7784. The court similarly recognized that "it appears the MP-Tenn funds were ultimately spent for Uncle Nearest's benefit." Id., PageID #7805. Thus, even under the district court's own findings, the challenged funds were not found missing, dissipated, or retained by GSI.

The Expansion Order also cites Ms. Weaver's purported "shift in testimony" regarding the barrel issue as a basis for questioning her credibility. The cited footnote states:

> This shift in testimony is another example of why the Court does not find Fawn Weaver credible.
>
> Expansion Order, Doc. 198, PageID #7796.

But Ms. Weaver never previously testified on that issue, and her written submissions and testimony have remained consistent throughout the proceedings. In any event, that barrel-related credibility finding does not supply evidence that GSI

engaged in alter-ego conduct, concealed assets, dissipated property, or misused the corporate form.

The legal deficiencies are equally substantial. As the Supreme Court explained in *Gordon v. Washington*, 295 U.S. 30 (1935):

> It should also have determined whether, in accordance with the accepted principles of equity, any state of facts was presented to it which called for the exercise of its extraordinary powers as a court of equity.
>
> Id. at 36.

The Court further emphasized:

> A receivership is only a means to reach some legitimate end sought through the exercise of the power of a court of equity. It is not an end in itself.
>
> Id. at 37.

And even where equitable jurisdiction otherwise exists:

> the summary remedy by receivership, with the attendant burdensome expense, should be resorted to only on a plain showing of some threatened loss or injury to the property, which the receivership would avoid.
>
> Id. at 39.

The Supreme Court has likewise cautioned that federal equitable authority is not unlimited. In *Grupo Mexicano de Desarrollo, S.A. v. Alliance Bond Fund, Inc.*, 527 U.S. 308 (1999), the Court explained:

> "Although equity is flexible, in the federal system, at least, that flexibility is confined within the broad boundaries of traditional equitable relief."
>
> Id. at 322.

The Sixth Circuit recently reaffirmed those same limits in the receivership context:

> Rule 66 thus directs courts to rely on traditional practice to determine the powers and limits of the receiver and receivership court. By doing so, the rule codifies the Supreme Court's repeated admonition that, absent legislative change, a federal court's exercise of its equitable powers must fall within the traditional principles of equity exercised by the High Court of Chancery in England at the founding.
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> *Digital Media Solutions, LLC v. South University of Ohio, LLC*, 59 F.4th 772, 782 (6th Cir. 2023).

The Expansion Order is difficult to reconcile with those principles. The district court acknowledged that expansion of a receivership is "a drastic remedy" and declined to expand the receivership to six other entities because "the evidence currently in the record is insufficient to justify the drastic remedy of expanding the receivership to encompass these other entities." Expansion Order, Doc. 198, PageID #7814. Yet the same order expanded the receivership into GSI while simultaneously directing the Receiver to investigate whether GSI actually held assets belonging to the receivership estate and whether less drastic measures could suffice. Id., PageID #7814–7815.

The Expansion Order also conflicts with longstanding principles of corporate separateness. The Sixth Circuit has recognized:

> Absent some abuse of corporate form, courts honor this fiction by indulging a presumption—often referred to as the corporate veil—that the entity is separate and distinct from its owner or

> owners. Courts will honor this presumption even when a single individual owns and operates the entity.
>
> *Lim v. Miller Parking Co.*, 304 F. App'x 416, 424 (6th Cir. 2008).

Here, GSI presented evidence that it existed years before Uncle Nearest, maintained separate records and tax filings, had its own corporate identity, held passive investment interests, had no employees, no payroll, no recurring vendor obligations, and no operating revenues. Grant Sidney Supplemental Brief, Doc. 160, PageID #6809–6816; Weaver Decl., Doc. 160-1, PageID #6835–6839. The district court acknowledged that GSI is a passive holding and investment entity with no operations the receivership might disrupt. Expansion Order, Doc. 198, PageID #7807. The Receiver did not identify completed findings establishing that GSI was a sham, that it failed to observe corporate formalities, that it operated as Uncle Nearest's alter ego, or that it presently held assets belonging to the receivership estate.

At a minimum, Appellants have demonstrated serious questions regarding both the factual and legal foundations of the Expansion Order. The record contains objective documentation supporting GSI's separate corporate existence and tracing the MP-Tenn funds to Uncle Nearest's benefit. The district court acknowledged that "the funds diverted to Grant Sidney flowed back to Uncle Nearest," recognized that "the MP-Tenn funds were ultimately spent for Uncle Nearest's benefit," and described GSI as "a passive holding and investment entity." Expansion Order, Doc.

198, PageID #7784, #7805, #7807. Yet the court expanded the receivership before requiring the Receiver to determine whether GSI actually possessed receivership assets and before determining whether less drastic alternatives were available. Id., PageID #7814–7815. Because the Expansion Order rests on disputed inferences rather than completed findings of necessity, and because it extends receivership control beyond traditional equitable limits, Appellants are likely to succeed on appeal.

B. APPELLANTS WILL SUFFER IRREPARABLE HARM ABSENT A STAY.

Absent a stay, Appellants will suffer immediate and irreparable harm that cannot later be remedied through ordinary appellate review.

The receivership has already expanded beyond the original scope of the proceeding and now reaches entities, governance rights, litigation rights, restructuring interests, and business relationships extending far beyond the original collateral dispute. At the same time, significant receivership actions continue to advance, including proceedings relating to the proposed Martha's Vineyard property sale. Each day the Expansion Order remains in effect and receivership proceedings continue, the status quo shifts in ways that may become impossible to unwind if appellate relief is ultimately granted.

The Sixth Circuit has emphasized that the stay factors "are not prerequisites that must be met, but are interrelated considerations that must be balanced together." *Michigan Coalition of Radioactive Material Users, Inc. v. Griepentrog*, 945 F.2d 150, 153 (6th Cir. 1991). Likewise, the Sixth Circuit has explained:

> In applying this test, we balance the factors. The Appellant must demonstrate a likelihood of success on the merits to a degree inversely proportional to the amount of irreparable harm that will be suffered if a stay does not issue. '[I]n order to justify a stay of the district court's ruling, the [Appellant] must demonstrate at least serious questions going to the merits and irreparable harm that decidedly outweighs the harm that will be inflicted on others if a stay is granted.'
>
> *Family Trust Foundation of Kentucky, Inc. v. Kentucky Judicial Conduct Commission*, 388 F.3d 224, 227 (6th Cir. 2004).

That standard is satisfied here.

The harm to Appellants is not merely monetary. The Expansion Order presently interferes with governance rights, restructuring opportunities, litigation autonomy, investor relationships, and bankruptcy-related protections in ways that cannot later be fully restored through damages.

GSI is a separate California holding company with addresses in Los Angeles and Atlanta. It has no employees, no operating business, and no actively managed operations. Its principal assets consist of illiquid ownership interests in Uncle Nearest and LS Creme Liqueur. The district court itself recognized that GSI is "a passive holding and investment entity" and "does not have operations the receivership might disrupt." Expansion Order, Doc. 198, PageID #7807. Yet the

Expansion Order subjects those assets and the governance rights associated with them to continuing receivership control despite the absence of completed findings establishing operational unity, alter-ego conduct, or fraudulent misuse of the corporate form.

The resulting harms include interference with separate corporate governance, impairment of restructuring opportunities, interference with investor and lender relationships, uncertainty concerning ownership and operational authority, and continued expansion of equitable control over entities and assets beyond the original receivership framework.

The irreparable harm is magnified because GSI is actively prosecuting independent litigation involving its own property, rights, and causes of action. GSI is a plaintiff in pending litigation against Farm Credit Mid-America, PCA. See *Fawn Weaver, Keith Weaver, and Grant Sidney, Inc. v. Farm Credit Mid-America, PCA*, Index No. 153219/2026 (N.Y. Sup. Ct., N.Y. County filed Mar. 13, 2026). GSI is also pursuing claims against former Chief Financial Officer Michael Senzaki and related parties for injuries allegedly suffered directly by GSI. Those actions seek recovery for direct injuries allegedly suffered by GSI itself and are not derivative claims asserted on behalf of Uncle Nearest. Continued expansion of the receivership into GSI therefore creates ongoing risks to litigation autonomy, attorney-client privilege, settlement authority, claim prosecution, and control of claims and assets

belonging exclusively to GSI. Once litigation decisions are made, strategic opportunities lost, settlement authority impaired, or privileged relationships altered, those injuries cannot be fully remedied after the fact.

These harms are especially acute because overlapping bankruptcy appellate proceedings remain pending. The bankruptcy appeal challenging the underlying authority and scope of the receivership remains unresolved while the district court continues altering the status quo through expansion of the receivership. Without a stay, the receivership may continue reshaping rights, relationships, governance structures, and receivership assets while overlapping appellate issues remain under review.

That creates a substantial risk that appellate review itself will become functionally meaningless.

The Sixth Circuit has recognized that denial of a stay may effectively extinguish appellate review. As the court explained:

> [A]n appeal must be dismissed as moot when, by virtue of intervening events, the court of appeals cannot fashion effective relief.
>
> *Weingarten Nostat, Inc. v. Service Merchandise Co.*, 396 F.3d 737, 742 (6th Cir. 2005).

Likewise, the Sixth Circuit has recognized that subsequent events may foreclose meaningful appellate review "regardless of the merits of legal arguments raised against it."

In re Nashville Senior Living, LLC, 620 F.3d 584, 591 (6th Cir. 2010).

The same concern exists here. If additional governance changes, restructuring interference, litigation interference, asset restraints, bankruptcy-related consequences, or sale-related consequences occur during the pendency of appeal—including consummation of the proposed Martha's Vineyard transaction—the Court of Appeals may later be unable to restore the parties to the positions they occupied before entry of the Expansion Order and advancement of the challenged receivership actions, even if Appellants ultimately prevail on the merits.

Appellants have warned for more than six months that continuation and expansion of the receivership would not preserve the status quo but instead accelerate harm. As early as November 24, 2025, Appellants advised the district court:

> "[R]efusing to lift the stay does not preserve the status quo; it accelerates harm."
>
> Emergency Motion for Limited Relief from the Receivership Stay, Doc. 128, PageID #5058.

Since that time, Appellants have repeatedly argued that the receivership was causing deterioration in enterprise value rather than preserving it. Appellants presented evidence that the Company remained solvent, that Farm Credit was oversecured, and that the receivership itself was allegedly causing measurable deterioration in sales performance, enterprise value, and restructuring opportunities.

See Motion to Reconsider, Doc. 151, PageID #6079–6080, 6096–6099. Nevertheless, the resulting harms have continued to accumulate while the receivership remains in place.

During that same period, receivership expenses, legal fees, and administrative costs allegedly exceeding $8 million have continued accruing against the underlying debt while the validity, amount, enforceability, and offset-ability of that debt remain unadjudicated. The continuing expansion of costs, restraints, operational disruption, litigation interference, and potential asset dispositions illustrates precisely the type of cumulative and irreversible injury that warrants preservation of meaningful appellate review.

Because the Expansion Order threatens irreparable harm to Appellants' governance rights, litigation rights, restructuring rights, bankruptcy rights, appellate rights, and separate corporate interests—and because those harms may become impossible to unwind if the appeal succeeds—a stay pending appeal is warranted.

b. The Martha's Vineyard Sale Procedures Threaten Irreversible Consequences and Practical Mootness

The real property at issue is unique, located at 471 West Tisbury Road, Edgartown, Massachusetts, (hereinafter the "MV Property").[10] Appellants contend that it is not an appropriate part of the receivership estate and should not be under

[10] The Court indicated that the property address at issue has changed from 10 Codman Spring Road, Edgartown, MA 02539 to the address now listed as 471 West Tisbury Road, Edgartown, Massachusetts, 02539. See, Dkt. Ent. 197, PG ID 7751.

the control of the Receiver. The sale order sets a compressed timetable for notice, overbids, reporting, and a hearing.

The Order states in pertinent part:

> This proposed sale is governed by 28 U.S.C. §2001(b) which provides in full:
>
> > After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other The consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby. Before confirmation of any private sale, the court shall appoint three disinterested persons to appraise such property or different groups of three appraisers each to appraise properties of different classes or situated in different localities. No private sale shall be confirmed at a price less than two-thirds of the appraised value. Before confirmation of any private sale, the terms thereof shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation. The private sale shall not be confirmed if a bona fide offer is made, under conditions prescribed by the court, which guarantees at least a 10 per centum increase over the price offered in the private sale.

28 U.S.C. § 2001(b).

The Order goes on:

> To that end, the Court hereby **ORDERS** the following:
>
> 1. The Receiver is **DIRECTED** to publish the following notice (or a substantively identical version thereof) in the Vineyard Gazette:
>
> > The Receiver for UN House MV, LLC, Phillip G. Young, Jr., has entered into a sale contract with respect to the real

> property located at 471 West Tisbury Road, Edgartown, MA 02539 (f/k/a 10 Codman Spring Road, Edgartown, MA 02539) and all personal property located therein. The proposed sale price for the property is $2,595,000. Any party wishing to submit an overbid for the property should contact the Receiver in writing at [insert preferred contact method]. Any overbid must be accompanied by proof of the bidders financial ability to purchase the property at the overbid price. The deadline to submit an overbid is June 5, 2026. Overbids received after June 5, 2026, will not be considered.

2. The Receiver shall publish the notice described in paragraph 1 as soon as practicable, but in no event later than **May 22, 2026**. The Receiver shall ensure that the notice is published on the Vineyard Gazettes website (https://vineyardgazette.com/) for **at least ten consecutive days**. The Receiver shall further ensure that the notice is published in the **May 22, 2026**, and **May 29, 2026**, print editions of the Vineyard Gazette.

3. The Receiver's Expedited Motion to Sell Real and Personal Property in Martha's Vineyard [Doc. 147] is hereby set for hearing on **June 11, 2026,** at **2:00 P.M. ET** at the U.S. Courthouse, 800 Market Street, Knoxville, Tennessee.

Since entry of the May 12, 2026 Order, the Receiver has also disclosed a signed Letter of Intent for the sale of substantially all assets, further demonstrating that the

risk of irreversible asset dispositions extends beyond the Martha's Vineyard property alone.

Appellants contend that if the sale proceeds as indicated in the Order of May 12, 2026, the property may be marketed, bidders may rely on the court-ordered process, and later relief may become impracticable or inadequate. As contemplated by the four factors for a stay, the harm to Appellants is imminent, and practical mootness may attach once the sale on the MV Property is allowed to proceed.

C. A STAY WILL NOT SUBSTANTIALLY INJURE OTHER PARTIES.

Granting a stay pending appeal will not substantially injure the Receiver, Farm Credit, or any other party. To the contrary, a stay would merely preserve the status quo while the Court of Appeals resolves the serious legal and factual questions presented by this appeal and the overlapping bankruptcy appeal.

The Sixth Circuit has recognized that the stay factors "are not prerequisites that must be met, but are interrelated considerations that must be balanced together." *Michigan Coalition of Radioactive Material Users, Inc. v. Griepentrog*, 945 F.2d 150, 153 (6th Cir. 1991). Likewise, the Sixth Circuit has explained:

> In applying this test, we balance the factors. The Appellant must demonstrate a likelihood of success on the merits to a degree inversely proportional to the amount of irreparable harm that will be suffered if a stay does not issue. '[I]n order to justify a stay of the district court's ruling, the [Appellant] must demonstrate at least serious questions going to the merits and

> irreparable harm that decidedly outweighs the harm that will be inflicted on others if a stay is granted.'
>
> *Family Trust Foundation of Kentucky, Inc. v. Kentucky Judicial Conduct Commission*, 388 F.3d 224, 227 (6th Cir. 2004).

The Receiver was originally appointed to preserve and protect assets. Appellants do not seek through this Motion to dissolve the receivership or eliminate existing protections. Rather, Appellants seek a temporary stay of the Expansion Order pending appellate review of whether the receivership may properly be extended to separate non-operating entities unsupported by the evidentiary record.

There is no evidence of imminent asset dissipation, concealment, operational collapse, or other emergency circumstances that would justify denying a stay. Appellants produced full and complete banking records and financial documentation, including records extending well beyond what was originally requested. Those records revealed no hidden assets, siphoning of collateral, fraudulent diversion, operational commingling, misuse of corporate form, overlapping operations, or alter-ego conduct warranting expansion of the receivership.

Nor is there evidence that GSI itself is dissipating assets, conducting operations, transferring property, or otherwise engaging in conduct requiring immediate equitable intervention. The record instead reflects that GSI is a passive holding company whose principal assets consist of illiquid ownership interests. The

district court itself acknowledged that GSI is "a passive holding and investment entity" and "does not have operations the receivership might disrupt." Expansion Order, Doc. 198, Page ID #7807. A temporary stay of the Expansion Order would therefore preserve the pre-expansion status quo while appellate review proceeds.

Indeed, the very accounts relied upon by the Receiver to support expansion ultimately confirmed that the challenged funds were traceable and used for Uncle Nearest's benefit. The district court acknowledged that "it appears that, at least on the current record, the funds diverted to Grant Sidney flowed back to Uncle Nearest." Expansion Order, Doc. 198, Page ID #7784. The court further recognized that "it appears the MP-Tenn funds were ultimately spent for Uncle Nearest's benefit." Id., Page ID #7805.

The absence of evidence supporting imminent harm is especially significant because the extraordinary harms flowing from continued expansion substantially outweigh any speculative administrative inconvenience associated with maintaining the pre-expansion status quo pending appeal.

That is particularly true because extraordinary equitable remedies must remain narrowly tailored to demonstrated necessity. As the Supreme Court explained:

> the summary remedy by receivership, with the attendant burdensome expense, should be resorted to only on a plain showing of some threatened loss or injury to the property, which the receivership would avoid.

Gordon v. Washington, 295 U.S. 30, 39 (1935).
No comparable showing of imminent harm exists here.

Moreover, Farm Credit's collateral position is not meaningfully impaired by a temporary stay. The underlying assets remain in existence and subject to existing Court oversight while the appeal proceeds. Farm Credit has already obtained the receivership relief originally requested and continues to possess the contractual protections, liens, and collateral rights it held before entry of the Expansion Order. The requested stay would merely preserve the status quo pending appellate review of the Expansion Order and the related proceedings concerning the proposed Martha's Vineyard property sale, both of which raise overlapping questions concerning the scope and continuing consequences of the receivership.

Nor would a stay prejudice creditors generally. Preserving meaningful appellate review before additional operational restraints, governance interference, restructuring limitations, and litigation interference occur protects the integrity of the judicial process for all parties involved.

By contrast, denying a stay risks continued expansion of equitable control, impairment of bankruptcy-related rights, interference with restructuring efforts, impairment of separate corporate governance, interference with independent litigation rights, and potential mootness of overlapping appellate issues before meaningful review can occur.

Because a stay merely preserves the status quo while the appellate process proceeds, and because Appellees face no comparable irreparable harm from temporary preservation of that status quo, the balance of equities strongly favors granting a stay pending appeal.

D. THE PUBLIC INTEREST STRONGLY FAVORS A STAY.

The public interest strongly favors preserving the status quo while the Court of Appeals resolves the substantial legal and factual questions presented by this appeal and the overlapping bankruptcy appeal presently pending.

This case implicates important public interests concerning the proper limits of federal equitable power, the lawful scope of receivership authority, preservation of meaningful appellate review, protection of corporate separateness, and the orderly interaction between district court receivership proceedings and pending bankruptcy appellate jurisdiction.

The public has a substantial interest in ensuring that extraordinary equitable remedies remain confined to traditional legal limits and are not expanded beyond the evidentiary record supporting them. As the Supreme Court explained:

> Although equity is flexible, in the federal system, at least, that flexibility is confined within the broad boundaries of traditional equitable relief.
>
> *Grupo Mexicano de Desarrollo, S.A. v. Alliance Bond Fund, Inc.*, 527 U.S. 308, 322 (1999).

Likewise, the Sixth Circuit has emphasized in the receivership context:

> Rule 66 thus directs courts to rely on traditional practice to determine the powers and limits of the receiver and receivership court. By doing so, the rule codifies the Supreme Court's repeated admonition that, absent legislative change, a federal court's exercise of its equitable powers must fall within the traditional principles of equity exercised by the High Court of Chancery in England at the founding.
>
> *Digital Media Solutions, LLC v. South University of Ohio, LLC*, 59 F.4th 772, 782 (6th Cir. 2023).

Those principles are particularly important where, as here, a receivership has been expanded to reach a separate non-operating holding company despite the absence of completed findings establishing fraud, alter-ego conduct, misuse of corporate form, operational unity, or imminent dissipation of assets. The public has a strong interest in ensuring that extraordinary remedies remain tied to demonstrated necessity and objective evidence rather than inference.

That interest is especially strong here because the Expansion Order itself confirms that additional investigation was still required after expansion. The district court directed the Receiver to "promptly investigate whether and to what extent Grant Sidney, Inc. holds any assets that rightly belong to Uncle Nearest" and to report "whether Grant Sidney, Inc. should remain in receivership or whether other less drastic measures could be used to recover any improperly diverted assets." Expansion Order, Doc. 198, PageID #7814–7815. The public interest is not served by expanding extraordinary equitable control first and determining later whether the expansion was necessary.

The public also has a strong interest in preserving meaningful appellate review before irreversible consequences occur. The Sixth Circuit has recognized that appellate review may become unavailable when, "by virtue of intervening events, the court of appeals cannot fashion effective relief." *Weingarten Nostat, Inc. v. Service Merchandise Co.*, 396 F.3d 737, 742 (6th Cir. 2005). It has likewise recognized that subsequent events may limit appellate review "regardless of the merits of legal arguments raised against it." *In re Nashville Senior Living, LLC*, 620 F.3d 584, 591 (6th Cir. 2010).

That concern is magnified here because overlapping bankruptcy appellate proceedings remain pending while the receivership continues altering the status quo. The bankruptcy appeal directly concerns the scope of authority and interaction between the receivership and bankruptcy process. Yet while that appeal remains unresolved, the Expansion Order and related receivership proceedings, including the proposed Martha's Vineyard property sale, continue advancing in ways that may materially affect bankruptcy-related rights, restructuring options, governance rights, and appellate remedies.

The public also has an interest in preserving respect for corporate separateness absent proof sufficient to justify disregarding it. As the Sixth Circuit recognized in *Lim v. Miller Parking Co.*, 304 F. App'x 416, 424 (6th Cir. 2008), corporate separateness is presumed absent abuse of corporate form, and courts honor that

presumption even where a single individual owns and operates the entity. Preserving appellate review before additional consequences flow from the Expansion Order promotes confidence that established legal standards will be applied before separate corporate entities are subjected to extraordinary equitable control.

That concern is heightened because the district court recognized that GSI is "a passive holding and investment entity" and "does not have operations the receivership might disrupt." Expansion Order, Doc. 198, Page ID #7807. The public interest favors careful adherence to corporate separateness and equitable limits before a separate passive holding company is subjected to ongoing receivership control.

Moreover, granting a temporary stay does not threaten public safety, public access, or ongoing public operations. The requested relief simply preserves the status quo while the appellate courts determine whether the Expansion Order exceeded permissible equitable limits, whether the findings supporting expansion are supported by the record, and whether continued expansion of equitable control is consistent with traditional principles governing federal receiverships.

Preserving confidence in the integrity, restraint, and reviewability of extraordinary judicial remedies is itself a substantial public interest.

Accordingly, the public interest strongly favors granting a stay pending appeal.

Relief is Needed to Prevent the sale of the Appellant's Property

The publication of a notice of sale pursuant to 28 U.S.C. § 2001(b) is not a procedural formality without consequence. These concerns are no longer limited to the Martha's Vineyard property. The Receiver has disclosed a signed Letter of Intent for the sale of substantially all assets and has represented that execution of a formal Asset Purchase Agreement is anticipated within approximately forty-five (45) days, further increasing the risk that appellate review could be overtaken by irreversible transactions. Once publication occurs and the sale process advances into the marketplace, third-party reliance interests begin attaching immediately, the proposed transaction gains momentum, and the risk of irreparable harm substantially increases. Other federal courts have repeatedly recognized, in both bankruptcy and receivership contexts, that unwinding a substantially advanced sale process becomes increasingly difficult as reliance interests develop and transactions progress.

As the Seventh Circuit explained: Two factors are key to resolving the receiver's motion: (1) the legitimate expectations engendered by the plan; and (2) the difficulty of reversing the consummated transactions. *SEC v. Wealth Mgmt. LLC*, 628 F.3d 323, 332 (7th Cir. 2010). Likewise, the Eighth Circuit recognized that once foreclosed property is sold to a *bona fide* third-party purchaser, a court generally lacks the power to craft an adequate remedy; therefore, a party who fails to obtain a stay of the sale has no remedy on appeal and the appeal is moot. *United*

States v. Fitzgerald, 109 F.3d 1339, 1342 (8th Cir. 1997). Such concerns are especially significant here, where the proposed sale involves a unique property directly tied to the Company's brand identity and enterprise value, and where the legal authority underlying the Receiver's continued exclusive control remains the subject of an active appellate proceeding currently proceeding on an expedited basis.

VII. REQUESTED RELIEF

Appellants, Fawn Weaver, Keith Weaver and Grant Sidney respectfully request that this Court:

1. Enter an immediate administrative stay of the May 12, 2026 and May 26, 2026 Orders of the District Court;
2. Immediately stay implementation of those portions of the May 26, 2026 Order expanding the receivership to Grant Sidney;
3. Immediately stay implementation of the order directing publication, overbid procedures, reporting, notice, and hearing on the proposed MV property sale;
4. Prohibit the Receiver, pending further order of this Court, from taking further steps toward marketing, overbid solicitation, sale approval, transfer, or other asset-sale activities involving the MV property substantially all assets of Uncle Nearest and related entities, or other receivership assets; and
5. Grant any and all other relief this Court deems just and proper.

In conclusion, the Appellants respectfully request that the Court preserve the status quo by staying further implementation of the challenged Orders pending meaningful appellate review.

Respectfully Submitted,

JOHNSON & JOHNSON, P.C.

/s/Curtis D. Johnson Jr.

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Counsel for Appellants, Fawn Weaver, Keith Weaver and Grant Sidney, Inc.

CERTIFICATE OF COMPLIANCE

This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 32(a)(7)(B) because this brief contains 4,363 words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f) and Sixth Circuit Rule 32(b)(1).

This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type-style requirements of Federal Rule of Appellate Procedure 32(a)(6) because it has been prepared in a proportionally spaced typeface using **Microsoft Word** in **14-point Times New Roman** font.

Dated: June 2, 2026
Memphis, TN

/s/ Curtis D. Johnson
Curtis D. Johnson
Counsel for Appellants, Fawn Weaver
Keith Weaver and Grant Sidney, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on June 2, 2026, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Sixth Circuit by using the CM/ECF system.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

Dated: June 2, 2026
Memphis, TN

/s/ Curtis D. Johnson
Curtis D. Johnson
Counsel for Appellants, Fawn Weaver Keith Weaver and Grant Sidney, Inc.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FAWN WEAVER, **KEITH WEAVER,** and **GRANT SIDNEY, INC.,** Plaintiffs, v. **FARM CREDIT MID-AMERICA, PCA** Defendant.	Case No.: 1:26-cv-02600-JPC (Removed from the Supreme Court of the State of New York, County of New York, Index No. 153219/2026) **NOTICE OF MOTION TO WITHDRAW AS COUNSEL**

NOTICE OF MOTION TO WITHDRAW AS COUNSEL

PLEASE TAKE NOTICE that upon the accompanying Motion and Declaration of James L. Walker, Jr., Movants James L. Walker, Jr. and J. Walker & Associates, LLC will move this Court, before the Honorable John P. Cronan, United States District Judge, for an Order pursuant to Local Civil Rule 1.4 permitting withdrawal as counsel for Plaintiffs Fawn Weaver, Keith Weaver, and Grant Sidney, Inc., and for such other and further relief as the Court deems just and proper.

Dated: May 29, 2026

Respectfully submitted,

J. WALKER & ASSOCIATES, LLC

By: *_/s/ James L. Walker, Jr._*
James L. Walker, Jr., Esq.
NY Bar No. 5973441
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FAWN WEAVER, **KEITH WEAVER,** and **GRANT SIDNEY, INC.,** Plaintiffs, v. **FARM CREDIT MID-AMERICA, PCA** Defendant.	Case No.: 1:26-cv-02600-JPC (Removed from the Supreme Court of the State of New York, County of New York, Index No. 153219/2026) **PLAINTIFFS' COUNSEL'S MOTION TO WITHDRAW AS COUNSEL**

PLAINTIFFS' COUNSEL'S MOTION TO WITHDRAW AS COUNSEL

James L. Walker, Jr., and J. Walker & Associates, LLC ("Movants"), counsel of record for Plaintiffs Fawn Weaver, Keith Weaver, and Grant Sidney, Inc., respectfully move this Court pursuant to Local Civil Rule 1.4 for an Order permitting withdrawal as counsel in the above-captioned matter. In support thereof, Movants state as follows:

1. Movants have appeared as counsel for Plaintiffs in this action and have participated in motion practice and related proceedings before this Court.

2. Good cause exists for withdrawal due to a breakdown in the attorney-client relationship and circumstances that have rendered continued representation unreasonably difficult.

3. Plaintiffs have also communicated through separate counsel in connection with this matter, and circumstances arising from coordination of representation and communication with Plaintiffs have rendered continued representation by Movants unreasonably difficult.

4. Movants have taken reasonable steps to avoid foreseeable prejudice to Plaintiffs and will promptly serve Plaintiffs with all papers relating to this Motion and any Order entered by the Court.

5. This matter remains in its early stages. No discovery schedule has been entered, and no trial date has been set. Although motions remain pending, Movants respectfully submit that withdrawal at this stage will not unduly prejudice the parties or materially delay these proceedings. Upon information and belief, attorneys intending to represent Plaintiffs have filed motions seeking admission pro hac vice in this matter, and Movants understand that substitute local counsel admitted to practice before this Court is being arranged.

6. Movants understand that Plaintiffs are in the process of securing substitute counsel admitted to practice before this Court. Movants have also advised Plaintiffs that Grant Sidney, Inc., as a corporate entity, may not proceed pro se in federal court and must appear through licensed counsel.

7. Upon information and belief, Plaintiffs' current contact information for purposes of service is as follows:

Fawn Weaver
c/o James M. Williams, Esq.
Chehardy, Sherman, Williams, LLP
Post Office Box 931
Metairie, LA 70004
Email: james@thetrialteam.com

Keith Weaver
c/o James M. Williams, Esq.
Chehardy, Sherman, Williams, LLP
Post Office Box 931
Metairie, LA 70004
Email: james@thetrialteam.com

Grant Sidney, Inc.
600 Main Street, #2000
Shelbyville, TN 37160

Movants respectfully omit Plaintiffs' residential addresses from the public filing due to privacy and security concerns and will provide such information to the Court under seal or ex parte if requested.

8. Movants respectfully request that the Court enter an Order:

(a) permitting withdrawal as counsel for Plaintiffs;

(b) directing that service upon Plaintiffs Fawn Weaver and Keith Weaver be made directly upon them or through their designated counsel/contact information unless and until substitute counsel appears;

(c) directing Plaintiffs to cause substitute counsel admitted to practice before this Court to appear within a time period set by the Court;

(d) directing Plaintiff Grant Sidney, Inc. to appear only through licensed counsel admitted to practice before this Court; and

(e) granting such further relief as the Court deems just and proper.

WHEREFORE, Movants respectfully request that this Court grant this Motion to Withdraw as Counsel.

Dated: May 29, 2026

Respectfully submitted,

J. WALKER & ASSOCIATES, LLC

By: _/s/ James L. Walker, Jr._
James L. Walker, Jr., Esq.
NY Bar No. 5973441
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3421 Main Street
Atlanta, Georgia 30337
Telephone: (770) 847-7363
Email: jjwalker@walkerandassoc.com

CERTIFICATE OF SERVICE

I hereby certify that on the 29th day of May, 2026, a copy of the foregoing **Plaintiffs' Counsel's Motion to Withdraw as Counsel** was filed electronically with the Clerk of Court of the United States District Court for the Southern District of New York by using the CM/ECF system. Notice of this filing will be sent to all Defendants by operation of the court's electronic filing system.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-- X

FAWN WEAVER,
KEITH WEAVER, and
GRANT SIDNEY, INC.,

Plaintiffs,

v.

FARM CREDIT MID-AMERICA, PCA

Defendant.

-- X

Case No.: 1:26-cv-02600-JPC
(Removed from the Supreme Court of the State of New York, County of New York, Index No. 153219/2026)

DECLARATION OF JAMES L. WALKER, JR. IN SUPPORT OF MOTION TO WITHDRAW AS COUNSEL

****

DECLARATION OF JAMES L. WALKER, JR. IN SUPPORT OF MOTION TO WITHDRAW AS COUNSEL

I, James L. Walker, Jr., declare under penalty of perjury pursuant to 28 U.S.C. § 1746 as follows:

1. I am counsel of record for Plaintiffs Fawn Weaver, Keith Weaver, and Grant Sidney, Inc. in the above-captioned matter and submit this Declaration in support of Movants' Motion to Withdraw as Counsel.

2. Good cause exists for withdrawal due to a breakdown in the attorney-client relationship and circumstances that have rendered continued representation unreasonably difficult.

3. Plaintiffs have also communicated through separate counsel in connection with this matter, and circumstances arising from coordination of representation and communication with Plaintiffs have rendered continued representation by Movants unreasonably difficult.

4. In light of these circumstances, Movants can no longer effectively represent Plaintiffs' interests in this matter.

5. Movants have taken reasonable steps to avoid foreseeable prejudice to Plaintiffs and will provide Plaintiffs with notice of this Motion and any Order entered by the Court.

6. Upon information and belief, attorneys intending to represent Plaintiffs have filed motions seeking admission pro hac vice in this matter, and substitute local counsel admitted to practice before this Court is in the process of being arranged.

7. I understand that Plaintiff Grant Sidney, Inc. may not proceed pro se in federal court and must appear through substitute counsel admitted to practice before this Court.

8. To avoid disclosing privileged or confidential communications, Movants respectfully submit that additional detail regarding the circumstances necessitating withdrawal should not be included in the public record.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 29th day of May, 2026.

By: *_/s/ James L. Walker, Jr._*
James L. Walker, Jr., Esq.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
KNOXVILLE DIVISION

UNCLE NEAREST, INC.,	)	
	)	
Appellant,	)	**Case No. 3:26-cv-00135-CEA-DCP**
	)	
v.	)	**On Appeal from Case No.**
	)	**3:26-bk-30470-SHB**
PHILLIP G. YOUNG, JR., in his capacity as Receiver, et al.	)	
	)	
	)	
Appellees.	)	

<u>APPELLEE RECEIVER PHILLIP G. YOUNG, JR.'S MOTION TO DISMISS APPEAL</u>

Comes now, Appellee Phillip G. Young, Jr., Receiver (the "Receiver") and moves this Court to dismiss the appeal filed by Uncle Nearest, Inc.[1] (the "Appellant") pursuant to Rule 8018 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). In support thereof, the Receiver represents as follows:

1. On March 19, 2026, the United States Bankruptcy Court for the Eastern District of Tennessee (the "Bankruptcy Court") entered an Order granting two motions to dismiss the bankruptcy case (the "Order"). *See* Bankruptcy Docket No. 48.

2. On March 20, 2026, the Appellant filed its Notice of Appeal (the "Notice of Appeal"). *See* Bankruptcy Docket No. 49.

3. On April 29, 2026, the Clerk of the Bankruptcy Court filed the Transmittal of Record on Appeal to the United States District Court (Docket No. 20) (the "Transmittal").

---

[1] For clarity, and as the Bankruptcy Court properly found, only the Receiver has authority to act on behalf of Uncle Nearest, Inc. Therefore, it is a procedural anomaly that Uncle Nearest, Inc. is listed as the Appellant herein.

4. Bankruptcy Rule 8018 governs the timing of filing briefs in a bankruptcy appeal. More specifically, Bankruptcy Rule 8018(a)(1) provides: "The appellant *must* serve and file a brief within 30 days after the docketing of notice that the record has been sent or that it is available electronically" (emphasis added).

5. Applying Bankruptcy Rule 8018 to this matter, the Appellant's brief was due on May 29, 2026. It was not filed by that date. Instead of filing the appellant brief, as required by Bankruptcy Rule 8018, the Appellant spent the intervening weeks filing a host of other pleadings, including: Emergency Motion to Expedite Appeal Pursuant to F.R.B.P. 8013(b), and in the Alternative, for Certification of Direct Appeal to the Sixth Circuit Pursuant to 28 U.S.C. § 158(d)(2) (Docket No. 19); Debtor's Motion to Strike or, in the Alternative, Set Aside the Bankruptcy Court's Supplement Memorandum Opinion (Docket No. 23); Emergency Motion to Preserve the Status Quo Pending Appeal (Docket No. 28); and a new appeal in a related case (*see* Case No. 4:25-cv-00038, Docket No. 200).

6. Bankruptcy Rule 8018(a)(4) contains the consequences for failure to timely file an appeal brief: "If an appellant fails to file a brief on time or within an extended time under (a)(3), the district court or BAP may – on its own after notice or on the appellee's motion – dismiss the appeal."

7. Pursuant to Bankruptcy Rule 8018, this Court should affirm the decision of the Bankruptcy Court and dismiss this appeal for Appellant's failure to abide by the timelines established by the Bankruptcy Rules.[2]

[2] In this case, dismissal of the appeal at this juncture is not a draconian result. The appeal, on its face, lacks merit. This appeal was filed despite a lengthy, and well-authored, memorandum by the Bankruptcy Court which cited over a dozen cases that mandate the result reached by the Bankruptcy Court.

WHEREFORE, the Receiver respectfully requests that the Court affirm the decision of the Bankruptcy Court, dismiss this appeal, with any costs taxed to the Appellant, and grant all other related and necessary relief.

Dated this 1st day of June, 2026.

Respectfully submitted,

/s/ Justin T. Campbell
Justin T. Campbell, Tn. Bar No. 31056
Thompson Burton PLLC
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Justin@thompsonburton.com

Counsel for Receiver

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served via the Court's ECF system and served via United States Mail and electronic mail on the following parties:

Curtis D. Johnson, Jr.
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cjohnson@johnsonandjohnsonattys.com
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/s/ Justin T. Campbell
Justin T. Campbell

Case No. 3:26-cv-00135-CEA-DCP

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF TENNESSEE

UNCLE NEAREST, INC.

Appellant,

v.

PHILLIP G. YOUNG, JR.

in his capacity as Receiver, et al.,

Appellee.

On Appeal from the United States Bankruptcy Court

for the Eastern District of Tennessee
Case No. 3:26-bk-30470-SHB

BRIEF FOR UNCLE NEAREST, INC., APPELLANT

CURTIS D. JOHNSON, JR.

FLORENCE M. JOHNSON
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Counsel for Uncle Nearest, Inc.,

Appellant

DISCLOSURE OF CORPORATE AFFILIATIONS AND FINANCIAL INTERESTS

Case Number: 3:26-cv-00135-CEA-DCP

Case Name: Uncle Nearest, Inc. v. Phillip G. Young, Jr.

Name of Counsel: Curtis D. Johnson, Jr.

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1. Is said party a subsidiary or affiliate of a publicly owned corporation? If Yes, list below the identity of the parent corporation or affiliate and the relationship between it and the named party:

   No.

2. Is there a publicly owned corporation, not a party to the appeal, that has a financial interest in the outcome? If yes, list the identity of such a corporation and the nature of the financial interest:

   No.

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STATEMENT IN SUPPORT OF ORAL ARGUMENT

Appellant Uncle Nearest, Inc., believes that oral argument will aid the Court in determining the issues on appeal.

This appeal presents a controlling legal question concerning whether a court-appointed receiver may displace a debtor's right to seek bankruptcy relief under governing Sixth Circuit law. Because the issue is purely legal, outcome-determinative, and implicates the interaction between receivership proceedings and federal bankruptcy jurisdiction. Appellant contents that an oral argument would greatly assist the Court.

JURISDICTIONAL STATEMENT

The United States Bankruptcy Court for the Eastern District of Tennessee had jurisdiction over the underlying Chapter 11 case pursuant to 28 U.S.C. §§ 157 and 1334.

On March 19, 2026, the bankruptcy court entered an order dismissing the Debtor's Chapter 11 case (Bankr. Dkt. 48). On March 23, 2026, after the Notice of Appeal had been filed, the bankruptcy court attempted to supplement the record by entering a Supplemental Memorandum Opinion setting forth its findings of fact and conclusions of law and further explaining its ruling. (Bankr. Dkt. 72). Appellant timely filed its Notice of Appeal on March 20, 2026 (Bankr. Dkt. 49).

This appeal is timely under Federal Rule of Bankruptcy Procedure 8002.

This Court has jurisdiction over this appeal pursuant to 28 U.S.C. § 158(a)(1) because the order dismissing the Chapter 11 case is a final, appealable order.

STATEMENT OF THE ISSUES

I. Whether the bankruptcy court erred in concluding that the Debtor lacked authority to file for bankruptcy relief based on a receivership order that did not expressly divest the Debtor's Board of that authority under controlling Sixth Circuit law.

II. Whether the bankruptcy court erred in dismissing the Debtor's Chapter 11 case under 11 U.S.C. § 1112(b) where no evidentiary record was developed and no findings supporting "cause" were made.

III. Whether the bankruptcy court's Supplemental Memorandum Opinion, entered after the Notice of Appeal, may be considered on appeal where it materially expanded the basis for dismissal after appellate jurisdiction had attached.

STATEMENT OF THE CASE

A. BACKGROUND

Uncle Nearest, Inc. (hereinafter the "Debtor") is a Delaware corporation engaged in the production, marketing, and distribution of premium spirits. The Debtor operates a national brand and maintains assets that include inventory, intellectual property, and ongoing business operation(and brand maintenance?).

Prior to the filing of the Chapter 11 petition, a federal district court appointed a receiver over certain assets of the Debtor at the request of a secured creditor. The receivership order did not expressly address whether the Debtor's Board of Directors retained authority to commence a bankruptcy proceeding.

On March 19, 2026, the Debtor filed a voluntary petition for relief under Chapter 11 in the United States Bankruptcy Court for the Eastern District of

Tennessee. Shortly after the petition was filed, the Receiver moved to dismiss the case, asserting that the Debtor lacked authority to file due to the existence of the receivership. No discovery was conducted, no evidentiary record was developed, and no creditors were heard. The bankruptcy court concluded that the Debtor lacked authority to file based solely on its interpretation of the receivership order.

The Court acknowledged that the issue presented was purely legal:

> The parties agreed that there are no facts in dispute affecting the question of Ms. Weaver's authority to file the petition and that the Court need only interpret the Order Approving Receiver in light of applicable law. (Bankr. Dkt. 48 at 2).

The Court further acknowledged:

> That paragraph 10.q does not expressly state that [the Receiver] has the exclusive right to file a bankruptcy case is immaterial… (Bankr. Dkt. 48 at 4).

Those acknowledgments formed part of the basis for the Court's dismissal of the case on authority grounds.

On March 19, 2026, the bankruptcy court entered an order dismissing the Chapter 11 case. (Bankr. Dkt. 48).

The Debtor filed a Notice of Appeal on March 20, 2026. (Bankr. Dkt. 49).

On March 23, 2026, after the Notice of Appeal had been filed, the bankruptcy court entered a Supplemental Memorandum Opinion setting forth its

findings of fact and conclusions of law and further explaining its ruling. (Bankr. Dkt. 72).

In its ruling, the bankruptcy court concluded that the receivership order determined who could act on behalf of the Debtor, including with respect to filing a bankruptcy petition, while also noting that the order did not expressly grant the receiver the exclusive right to file a bankruptcy case. (Bankr. Dkt. 48 at 2, 4).

B. PROCEDURAL HISTORY

On March 17, 2026, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.[1]

On March 18, 2026, the Receiver filed a motion to dismiss the case.[2]

On March 19, 2026, the bankruptcy court conducted an expedited hearing on the motion and entered an order granting dismissal of the case within one day of the Receiver's filing, both from the bench and by written order.[3] [4]

On March 20, 2026, the Debtor filed a Notice of Appeal.[5]

[1] Voluntary Petition, Bankr. Dkt. No. 1 (Mar. 17, 2026).

[2] Receiver's Motion to Dismiss, Bankr. Dkt. No. 8 (Mar. 18, 2026).

[3] Mar. 19, 2026, Hearing Tr., at ___.

[4] Order Granting Motion to Dismiss, Bankr. Dkt. No. 48 (Mar. 19, 2026).

[5] Notice of Appeal, Bankr. Dkt. No. 49 (Mar. 20, 2026).

On March 23, 2026, after the Notice of Appeal had been filed, the bankruptcy court entered a Supplemental Memorandum Opinion setting forth its findings of fact and conclusions of law.[6]

This timely appeal followed.

SUMMARY OF ARGUMENT

The bankruptcy court dismissed this Chapter 11 case on the ground that the Debtor's filing was unauthorized. That conclusion conflicts with controlling Sixth Circuit law and cannot be sustained as a matter of law. No decision within this Circuit—or any other—permits a receivership order, absent express language, to be construed to deprive duly authorized corporate actors of access to federal bankruptcy relief.

The court acknowledged that the receivership order does not expressly grant the Receiver exclusive authority to file a bankruptcy petition. It nevertheless dismissed the case by inferring exclusivity from silence. That inference conflicts with controlling law. No Sixth Circuit decision permits it. No controlling authority permits it. No decision permits it. (Suggestion- a cursory review of the controlling law on this issue in this and every other Circuit that has dealt with it, finds no support for ruling, this where I would string cite cases that declined to rule on it).

[6] Supplemental Mem. Op., Bankr. Dkt. No. 72 (Mar. 23, 2026).

The Constitution assigns bankruptcy authority exclusively to federal law and requires that it operate uniformly across jurisdictions. U.S. Const. art. I, § 8, cl. 4. The Supreme Court has made clear that this grant of power was not merely procedural, but structural. In *Central Virginia Community College v. Katz*, the Court held that the Bankruptcy Clause reflects the States' agreement "in the plan of the Convention" not to assert sovereign immunity in proceedings necessary to effectuate federal bankruptcy jurisdiction. 546 U.S. 356, 377 (2006). This principle traces back to *Sturges v. Crowninshield*, where the Court recognized that Congress is empowered to establish uniform bankruptcy laws that cannot be displaced by inconsistent state action. 17 U.S. (4 Wheat.) 122, 193–94 (1819). Together, these authorities confirm that state-created mechanisms cannot override the exercise of federal bankruptcy power.

For more than a century, the Sixth Circuit has held that the existence of a receivership does not deprive a debtor of the right to seek bankruptcy relief. That rule has been applied repeatedly and without exception. In *Struthers,* in *Merritt,* in *Muffler*, and in *Yaryan,* the court reached the same conclusion: access to bankruptcy cannot be blocked by receivership devices, whether express or implied. Each time, the answer was the same.[7]

[7] *Struthers Furnace Co. v. Grant,* 30 F.2d 576 (6th Cir. 1929); *Merritt v. Mt. Forest Fur Farms of Am.,* 103 F.2d 69 (6th Cir. 1939); *Muffler v. Petticrew Real Estate Co*., 132 F.2d 479 (6th Cir. 1942); I*n re Yaryan Naval Stores Co., 214 F. 563 (6th Cir. 1914).*

The rule is not limited to express prohibitions. It applies with greater force here. If an express injunction barring a bankruptcy filing is invalid, an implied restriction cannot be enforced. The receivership order at issue contains no language granting exclusive authority to the Receiver and no language barring the Debtor's duly authorized leadership from filing. The dismissal rests on a limitation that appears nowhere in the order and has never been recognized by the Sixth Circuit.

The governing Sixth Circuit principles are settled and dispositive. The bankruptcy court identified no authority supporting its departure from those principles. The rule applied below does not exist under controlling law.

The error is compounded by a separate jurisdictional defect. After the Debtor filed the Notice of Appeal, jurisdiction transferred to the appellate court. The bankruptcy court nevertheless entered a Supplemental Memorandum Opinion that expanded its reasoning and supplied additional support for dismissal. That action exceeded the court's authority. Once jurisdiction transferred, the court could not alter or supplement the ruling under review. The Supplemental Memorandum Opinion is therefore void or, at minimum, cannot be considered on appeal. This Court reviews what was decided—not what might later be supplied.

These errors present a pure question of law: whether a receivership order may be construed to strip otherwise authorized corporate actors of access to federal

bankruptcy relief. The Sixth Circuit has never adopted such a rule. Its precedent rejects it. The ruling below departs from that precedent.

That departure has consequences beyond this case. If permitted to stand, it furnishes a blueprint by which a receiver and a single creditor may attempt to remove an enterprise from the reach of Chapter 11 notwithstanding controlling law.

Reversal is likely. The governing law is settled. The rule applied below is not. The Supplemental Memorandum Opinion cannot cure that defect. The Orders on Appeal cannot be sustained.

ARGUMENT

I. THE BANKRUPTCY COURT ERRED AS A MATTER OF LAW IN CONCLUDING THAT THE DEBTOR LACKED AUTHORITY TO FILE FOR BANKRUPTCY RELIEF

The bankruptcy court dismissed this Chapter 11 case on the ground that the Debtor's filing was unauthorized. That conclusion conflicts with controlling Sixth Circuit law and cannot be sustained.

The court acknowledged that the receivership order "does not expressly state" that the Receiver possesses the exclusive right to file a bankruptcy case. It nevertheless concluded that the filing was unauthorized by inferring exclusivity

from provisions that do not say so. That inference is impermissible as a matter of law. Authority is not eliminated by implication. It must be stated. It was not. That requirement reflects the Sixth Circuit's rule that displacement of corporate authority requires a "specific declaration." *In re Yaryan Naval Stores Co.*, 214 F. 563, 565 (6th Cir. 1914).

The Constitution assigns bankruptcy authority exclusively to federal law and requires that it operate uniformly across jurisdictions. U.S. Const. art. I, § 8, cl. 4. The Supreme Court has made clear that this grant of power is structural. In *Central Virginia Community College v. Katz*, the Court held that the Bankruptcy Clause reflects the States' agreement "in the plan of the Convention" not to assert sovereign immunity in proceedings necessary to effectuate federal bankruptcy jurisdiction. 546 U.S. 356, 377 (2006). That principle traces back to *Sturges v. Crowninshield*, where the Court recognized that Congress is empowered to establish uniform bankruptcy laws that cannot be displaced by inconsistent state action. 17 U.S. (4 Wheat.) 122, 193–94 (1819). State created mechanisms cannot override the exercise of federal bankruptcy power.

The question presented is whether a receivership order that does not expressly prohibit a bankruptcy filing may nevertheless be construed to deprive otherwise authorized corporate actors of access to federal bankruptcy relief. Corporate authority to file a bankruptcy petition is determined by the law

governing the entity, but that inquiry does not permit the elimination of access to federal bankruptcy relief where authority otherwise exists. *Price v. Gurney*, 324 U.S. 100, 106 (1945).

> "The initiation of bankruptcy proceedings, like the run of corporate activities, is left to the corporation itself, that is, to those who have the power of management."
> *Price v. Gurney*, 324 U.S. 100, 106 (1945).

The action of allowing a receivership does not displace that principle. *Michigan v. Michigan Trust Co.*, 286 U.S. 334, 344–45 (1932); *Harkin v. Brundage*, 276 U.S. 36, 52 (1928). The Sixth Circuit has already answered that question—repeatedly—and each time the answer has been the same. The dismissal below applies a rule that no court has adopted and that controlling precedent rejects. Nor does any alleged defect in authority implicate subject matter jurisdiction. Under *Price v. Gurney*, authority is a threshold legal question. Only if authority were lacking would dismissal be appropriate, independent of any separate analysis under 11 U.S.C. § 1112(b).

A. Standard of Review

This Court reviews the bankruptcy court's legal conclusions, including the determinations of corporate authority to file a bankruptcy petition, *de novo.*

Nicholson v. Isaacman, 26 F.4th 629, 632 (6th Cir. 2022). Where the issue is purely legal, no deference is owed.

B. The Bankruptcy Court's Conclusion Conflicts with Controlling Sixth Circuit Authority

For more than a century, the Sixth Circuit has held that the existence of a receivership does not deprive a debtor of the right to seek bankruptcy relief. That rule is settled and admits no exception for the breadth of a receivership order or the presence of a court-appointed receiver. A brief review of Sixth Circuit precedent yields these cases that support the Appellant's position.

In *Struthers Furnace Co. v. Grant*, the Sixth Circuit held:

> The pendency of a receivership does not ordinarily prevent the filing of a voluntary petition, even though the court appointing the receiver has taken possession of the property and issued the usual injunction against interference.

Struthers Furnace Co. v. Grant, 30 F.2d 576, 577 (6th Cir. 1929).

The Sixth Circuit reinforced that rule in *Merritt v. Mt. Forest Fur Farms of America*:

> The order enjoining the officers and directors from preparing or in any way aiding the institution of reorganization proceedings was erroneously entered. It deprived them of their constitutional right to relief under the Bankruptcy Act.

> *Merritt v. Mt. Forest Fur Farms of Am.*, 103 F.2d 69, 71–72 (6th Cir. 1939).

The Sixth Circuit applied the same principle again in *Muffler v. Petticrew Real Estate Co.*, holding that a corporation is "not deprived of the right to file its petition merely because its property [is] in the custody of the state court receiver." 132 F.2d 479, 481 (6th Cir. 1942). Custody does not eliminate access. Control does not eliminate authority.

The principle predates these decisions and has never been abandoned. The Sixth Circuit has long recognized that a debtor retains an:

> "undeniable right to go into voluntary bankruptcy," and that rights conferred by the Bankruptcy Act "cannot be destroyed, denied, or abridged by any power.
>
> *In re Yaryan Naval Stores Co.*, 214 F. 563, 565 (6th Cir. 1914).

That principle establishes a single rule: a receivership does not strip a debtor of the right to seek bankruptcy relief. *Struthers Furnace Co. v. Grant*, 30 F.2d 576 (6th Cir. 1929); *Merritt v. Mt. Forest Fur Farms of America*, 103 F.2d 69 (6th Cir. 1939); *Muffler v. Petticrew Real Estate Co.*, 132 F.2d 479 (6th Cir. 1942); *In re Yaryan Naval Stores Co.*, 214 F. 563 (6th Cir. 1914); *In re De Camp Glass Casket Co.*, 272 F. 558 (6th Cir. 1921).

While some courts outside this Circuit have taken a more expansive approach to authority in the receivership context, including relying on broad grants

of control or equitable considerations, the Sixth Circuit *has not* adopted that framework. Instead, controlling authority adheres to the rule set forth in *Price v. Gurney*, requiring a determination that authority has been expressly displaced under applicable law. That standard does not permit courts to infer a lack of authority from general receivership powers or silence in the governing order.

The dismissal below cannot be reconciled with that rule. The bankruptcy court inferred a restriction that does not appear in the receivership order and enforced a limitation that controlling law does not permit. An express prohibition on seeking bankruptcy relief is invalid. *Merritt v. Mt. Forest Fur Farms of America*, 103 F.2d 69, 71–72 (6th Cir. 1939); *Struthers Furnace Co. v. Grant*, 30 F.2d 576, 577 (6th Cir. 1929); *Muffler v. Petticrew Real Estate Co.*, 132 F.2d 479, 481 (6th Cir. 1942); *In re Yaryan Naval Stores Co.*, 214 F. 563, 565 (6th Cir. 1914). An implied restriction cannot be enforced. It deprives corporate actors of their right to seek relief under the federal bankruptcy laws.

> The order enjoining the officers and directors from preparing or in any way aiding the institution of reorganization proceedings was erroneously entered. It deprived them of their constitutional right to relief under the Bankruptcy Act.
>
> *Merritt v. Mt. Forest Fur Farms of America*, 103 F.2d 69, 71–72 (6th Cir. 1939).

The governing Sixth Circuit principles are settled and dispositive. The bankruptcy court identified no authority supporting its departure from those principles. No Sixth Circuit decision adopts the rule applied below, and no controlling authority supports it. See *In re Donaldson Ford, Inc.*, 19 B.R. 425 (Bankr. N.D. Ohio 1982); *In re 530 Donelson, LLC*, 660 B.R. 887 (Bankr. M.D. Tenn. 2024). The rule does not exist under controlling law.

Courts applying this principle have consistently held that receivership does not eliminate authority to file. *In re Donaldson Ford, Inc.*, 19 B.R. 425 (Bankr. N.D. Ohio 1982); *In re 530 Donelson, LLC*, 660 B.R. 887 (Bankr. M.D. Tenn. 2024); *In re Cash Currency Exchange, Inc.*, 762 F.2d 542 (7th Cir. 1985); *In re Klein's Outlet, Inc.*, 50 F. Supp. 557 (S.D.N.Y. 1942); *In re Kreisers, Inc.*, 112 B.R. 996 (Bankr. D.S.D. 1990); *In re S & S Liquor Mart, Inc.*, 52 B.R. 226 (Bankr. D.R.I. 1985). In *In re Donaldson Ford, Inc.*, the court held that nothing in the Bankruptcy Code authorizes a receivership injunction to displace corporate authority to file for bankruptcy. *Id.* at 431.

The bankruptcy court did not apply this rule. It departed from it. That departure is dispositive.

The record confirms that no such determination was ever made. When the issue of the Board's authority was presented to the district court in the receivership proceeding, the court expressly declined to decide it:

> For the avoidance of any doubt, the Court is not stating whether the directors of Defendant Uncle Nearest, Inc., either individually or collectively as the board of directors, may participate in this litigation separately from the Defendant Companies. Rather, the Court is stating that to the extent such a right may exist, the directors (or board) would first need to become parties to this litigation before they could respond to motions.
> (Dkt. 89 at n.2).

The court's subsequent clarification reinforces the limited scope of the Receiver's authority:

> "As the Court noted in its Order granting the Receiver's Motion to Strike, the Receiver represents the Defendant Companies in this litigation. [Doc. 89]. For the avoidance of any doubt, whenever the Court refers to the parties generally or to the Defendant Companies, it is with the understanding that the Receiver represents the interests of the Defendant Companies in this litigation."
> (Dkt. 90 at 2 n.2).

These rulings are dispositive. The court did not eliminate the Board's authority. It did not determine that the Board lacked authority. It confined the Receiver's role to representation in that litigation and expressly declined to decide whether the Board retained independent authority.

That ruling is dispositive. The court did not eliminate the Board's authority regarding the filing of a petition in bankruptcy. It did not determine that the Board lacked authority. Not only did the Court expressly decline to decide the issue, but the Court made it crystal clear that the Receiver's powers were limited to that civil, non-bankruptcy, district court case initiated by Farm Credit that was before the Court at that time.

The contemporaneous record further confirms that the Debtor's ability to seek Chapter 11 relief was not understood to have been eliminated. During the hearing, counsel for the bank directly questioned whether a bankruptcy filing had been considered prior to the receivership:

> "Have you considered, did you consider filing Chapter 11 before the receivership was in place?" (Hr'g Tr. 257:24–258:4).

No party suggested that the Debtor lacked legal authority to file. The question was posed as a matter of business judgment, not legal impossibility. That context is consistent with the absence of any ruling eliminating the Board's authority and underscores that the issue was never resolved by the Receivership Order.

C. The Bankruptcy Court Improperly Inferred Exclusive Authority from a Receivership Order That Does Not Grant It

The receivership order does not grant the Receiver exclusive authority to file a bankruptcy petition. It does not prohibit the Debtor's directors from doing so. It does not address the issue. The dismissal therefore rests on an inference that finds no support in the text of the order.

That inference is legally impermissible. Authority to act on behalf of a corporation is not displaced by silence. It is not displaced by implication. It is displaced, if at all, by clear and express language grounded in law. The Sixth Circuit's decisions require no less.

The bankruptcy court's reasoning reverses that rule. It treats silence as sufficient. It treats implication as sufficient. It treats a receivership order as capable of accomplishing indirectly what controlling law does not permit directly.

That reasoning cannot be sustained. A receivership order that does not expressly eliminate authority cannot be construed to do so. A receivership order that does not prohibit a bankruptcy filing cannot be enforced as though it did.

The conclusion follows directly. The Debtor's filing was authorized. The bankruptcy court's contrary conclusion conflicts with controlling law. The dismissal must be reversed.

The Bankruptcy Code provides a structured mechanism for reorganization that necessarily limits creditor control during the pendency of a case. *United Sav.*

Ass'n v. Timbers of Inwood Forest Assocs., 484 U.S. 365, 370–71 (1988). Filing for bankruptcy to obtain a breathing spell from creditor collection efforts is not bad faith and serves core purposes of the Bankruptcy Code, including leveling the playing field among creditors. *Sullivan v. Harnisch (In re Sullivan)*, 522 B.R. 604, 614–16 (B.A.P. 9th Cir. 2014).

II. DISMISSAL WAS IMPROPER BECAUSE "CAUSE" WAS NOT ESTABLISHED UNDER 11 U.S.C. § 1112(b)

As shown above, the dismissal order cannot be sustained on any supposed "lack of authority" theory because the receivership order did not strip the Debtor of the power to commence this Chapter 11 case. But there is a further and independent defect. To the extent the bankruptcy court's ruling can be understood as resting, alternatively, on a conclusion that the filing itself constituted "cause" for dismissal under 11 U.S.C. § 1112(b)—or that any purported defect in authority somehow amounted to "cause"—the order still cannot stand.

Price v. Gurney treats lack of authority as a distinct gateway issue, not as a substitute for the separate, statutory showing required under § 1112(b). Thus, even if the bankruptcy court was blending those concepts, it did not conduct the analysis § 1112(b) requires.

Section 1112(b) permits dismissal only upon a showing of "cause," and only where dismissal or conversion is in "the best interests of creditors and the estate." That standard requires a fact-intensive inquiry into the debtor's financial condition, the purpose of the filing, and the effect of dismissal on the creditor body as a whole. *In re SGL Carbon Corp.*, 200 F.3d 154, 160–62 (3d Cir. 1999).

No such inquiry occurred here.

The bankruptcy court dismissed the case within hours of the motion being filed. No evidentiary record was developed. No testimony was taken. No creditor body was heard. No findings were made as to the Debtor's financial condition, its ability to reorganize, or whether the filing served a valid reorganizational purpose. The court did not determine whether dismissal would maximize or diminish value for creditors as a whole. It terminated the case at inception.

That is not the process § 1112(b) requires.

Courts recognize that lack of good faith may constitute "cause," but only where the petition fails to serve a legitimate reorganizational purpose or reflects an abuse of the bankruptcy process. *In re SGL Carbon Corp.*, 200 F.3d at 161–62. That determination is inherently fact-driven. It cannot be made on an undeveloped record. Nor may a court collapse the distinct question of corporate authority into a finding of "cause" without undertaking the statutory inquiry Congress prescribed.

The contrast with *In re SGL Carbon Corp.* is dispositive. There, dismissal was affirmed only after a developed evidentiary record demonstrated that the debtor was financially healthy and had filed solely as a litigation tactic, not to reorganize. Id. at 166–67. Here, no such findings were made. There is no record support for a conclusion that the Debtor lacked a valid reorganizational purpose. There is no finding that the filing was abusive. There is no evidence that the Debtor falls outside the protections of Chapter 11.

The separate statutory requirement that dismissal be in the best interests of creditors and the estate was likewise not satisfied. The record reflects that the Debtor has hundreds of unsecured creditors whose interests were not considered. The bankruptcy court did not compare the recoveries available in Chapter 11 with those available under the receivership. It did not evaluate creditor participation, transparency, or value maximization. It did not determine whether dismissal would benefit the creditor body as a whole.

Instead, dismissal placed control of the Debtor's enterprise in the hands of a receiver whose position was aligned with, and advanced in coordination with, a single creditor during the proceedings below, to the exclusion of the broader creditor body. That result is inconsistent with the core purpose of Chapter 11, which is to preserve going-concern value and ensure equitable treatment of creditors.

The absence of a developed record, the lack of findings as to good faith, and the failure to evaluate the best interests of creditors and the estate are independently dispositive. Section 1112(b) does not permit dismissal on this record. To the extent the order rested, even in part, on a "cause" rationale, it must be reversed on that ground as well.

III. THE SUPPLEMENTAL MEMORANDUM OPINION IS VOID AB INITIO OR, AT MINIMUM, CANNOT BE CONSIDERED ON APPEAL

The Supplemental Memorandum Opinion was entered after the Debtor filed its Notice of Appeal. At that moment, jurisdiction transferred to the appellate court. The bankruptcy court could not expand the ruling.

It did.

The Supplemental Memorandum Opinion introduces additional authorities, expands the legal analysis, and supplies reasoning not contained in the Dismissal Order. It is not a clerical correction. It is a substantive revision. The law does not permit it.

The issue is straightforward: whether a trial court may materially supplement its reasoning after appellate jurisdiction has attached. It may not.

A. Standard of Review

This Court reviews jurisdictional questions and the scope of a lower court's authority after the filing of a notice of appeal **de novo**. *Cochran v. Birkel*, 651 F.2d 1219, 1221 (6th Cir. 1981).

B. The Bankruptcy Court Lacked Authority to Enter a Substantive Ruling After Jurisdiction Transferred

It is well settled that the filing of a notice of appeal divests the lower court of jurisdiction over the aspects of the case involved in the appeal. *Griggs v. Provident Consumer Discount Co.*, 459 U.S. 56 (1982); *Cochran v. Birkel*, 651 F.2d 1219 (6th Cir. 1981); *Keohane v. Swarco*, 320 F.2d 429 (6th Cir. 1963).

> "The filing of a notice of appeal is an event of jurisdictional significance—it confers jurisdiction on the court of appeals and divests the district court of its control over those aspects of the case involved in the appeal."
>
> *Griggs v. Provident Consumer Discount Co.*, 459 U.S. 56, 58 (1982).

That rule is structural. It preserves the division of authority between trial and appellate courts and prevents post-appeal modification of the decision under review. Once jurisdiction transfers, the lower court may not alter, expand, or substantively supplement the ruling on appeal. That prohibition applies not only to changes in outcome, but to changes in reasoning.

The bankruptcy court nevertheless entered a Supplemental Memorandum Opinion that does exactly that. It introduces new authorities, expands the court's reasoning, and attempts to supply justification not contained in the original ruling. That action exceeds the narrow scope of authority retained after an appeal is filed.

A court may correct clerical errors. It may not revise the substance of its decision. *In re Walter*, 282 F.3d 434 (6th Cir. 2002); *Olle v. Henry & Wright Corp.*, 910 F.2d 357 (6th Cir. 1990). That distinction is dispositive. Clerical corrections preserve the judgment. Substantive additions alter it.

The Supplemental Memorandum Opinion does not preserve the judgment. It alters it.

Nor can it be justified as action "in aid of the appeal." That exception permits only actions that preserve the status quo or facilitate appellate review. It does not permit a court to supply new reasoning for a decision already under review. *Cochran*, 651 F.2d at 1221.

The Supplemental Memorandum Opinion is not a clarification. It is a post hoc expansion of the ruling. The law does not permit it.

The consequence is clear. Orders entered outside the scope of retained jurisdiction are void or of no legal effect. *Keohane v. Swarco*, 320 F.2d 429, 432 (6th Cir. 1963).

The Supplemental Memorandum Opinion cannot be considered on appeal.

The appellate court reviews what was decided—not what might later be supplied. The Dismissal Order must stand or fall on the reasoning articulated at the time jurisdiction transferred. The Supplemental Memorandum Opinion cannot cure the absence of supporting authority in the original ruling.

This defect is independent and dispositive. Even if the original reasoning were sufficient, it cannot be supplemented after the fact. The Supplemental Memorandum Opinion must be disregarded.

IV. THIS APPEAL PRESENTS A CONTROLLING QUESTION OF LAW OF PUBLIC IMPORTANCE

This appeal presents a pure question of law: whether a receivership order may be construed to deprive otherwise authorized corporate actors of access to federal bankruptcy relief. The bankruptcy court answered that question in the affirmative. No controlling authority supports that conclusion. The Sixth Circuit's precedent rejects it.

The issue is not fact-bound. It does not turn on the particular language of this receivership order. It turns on whether such orders may be used, as a matter of law, to block access to Chapter 11. That question is purely legal and dispositive. That question goes to the structure of federal bankruptcy law and the limits of non-bankruptcy control over a debtor's ability to invoke it.

The Sixth Circuit's governing principles are settled and do not permit the rule applied below. Its decisions run in the opposite direction. *Struthers Furnace Co. v. Grant*, 30 F.2d 576 (6th Cir. 1929); *Merritt v. Mt. Forest Fur Farms of America*, 103 F.2d 69 (6th Cir. 1939); *Muffler v. Petticrew Real Estate Co.*, 132 F.2d 479 (6th Cir. 1942); *In re Yaryan Naval Stores Co.*, 214 F. 563 (6th Cir. 1914). Those decisions establish a uniform rule: a receivership does not prevent a debtor from seeking bankruptcy relief. The ruling below departs from that rule and applies one that has never been recognized.

No Sixth Circuit decision adopts the rule applied below, and no controlling authority adopts it. The issue is therefore presented in a posture that squarely requires resolution by this Court.

The consequences extend beyond this case. If permitted to stand, the ruling furnishes a mechanism by which a receiver and a single creditor may attempt to remove an enterprise from the reach of Chapter 11 notwithstanding controlling

law. That result alters the balance between receivership proceedings and federal bankruptcy jurisdiction. It permits the indirect elimination of rights that cannot be eliminated directly.

The issue is one of public importance. It implicates the uniformity of bankruptcy law, the scope of federal jurisdiction under the Bankruptcy Clause, and the ability of corporate actors to access a statutory framework designed for collective reorganization. It affects not only this Debtor, but any entity subject to a receivership within this Circuit.

Prompt resolution of this issue will materially advance the progress of this case. If the ruling below is incorrect, delay prolongs the continued operation of a regime that the law does not permit. If the ruling is correct, prompt affirmance provides finality. In either event, resolution of this issue will eliminate uncertainty and prevent further erosion of value during intermediate review.

The entry of the Supplemental Memorandum Opinion after the Notice of Appeal presents a separate jurisdictional question concerning the scope of a trial court's authority once appellate jurisdiction has attached. That issue is independent of the merits and may warrant appellate clarification.

At the same time, this appeal presents controlling questions of law warranting immediate appellate review because longstanding Sixth Circuit

authority makes clear that a receivership does not strip owners of the ability to seek federal bankruptcy relief, and the receivership order here was narrower still, authorizing the receiver to act only within the receivership case. Nonetheless, the bankruptcy court treated that order as silently divesting the owners of authority to file this Chapter 11 case. The governing Sixth Circuit principles are settled; what is unprecedented is the ruling below. This case therefore presents important questions of first impression concerning how a receivership order limited to the receivership proceeding could be construed to foreclose a bankruptcy filing that it nowhere expressly prohibited and that controlling authority does not permit it to prohibit.

CONCLUSION

The Orders on Appeal cannot be sustained. The bankruptcy court applied a rule that conflicts with controlling Sixth Circuit authority and is unsupported by any precedent. It further attempted to supplement its ruling after jurisdiction had transferred, which the law does not permit. These errors present a pure question of law and a separate jurisdictional defect, each independently requiring reversal.

For these reasons, the Orders on Appeal should be reversed and the Supplemental Memorandum Opinion disregarded. To the extent this Court determines that appellate guidance would assist in resolving these controlling legal

questions, certification to the United States Court of Appeals for the Sixth Circuit would be appropriate.

RELIEF REQUEST

Appellant respectfully requests that this Court:

1. Reverse the bankruptcy court's Dismissal Order;

2. Hold that the Debtor's Chapter 11 filing was authorized as a matter of law;

3. Disregard the Supplemental Memorandum Opinion as void ab initio or otherwise not properly before the Court; and

4. In the alternative, if the Court declines immediately to reverse and reinstate this Chapter 11 case for the equal bankruptcy protection of all Uncle Nearest creditors under the Bankruptcy Code, Appellant respectfully requests that the Court immediately consider Appellant's concurrently filed motion for certification for direct review by the United States Court of Appeals for the Sixth Circuit.

For all of the foregoing reasons, this Court should reverse the Bankruptcy Court's Dismissal Order, disregard the Supplemental Memorandum Opinion, and

grant such further relief as is necessary to permit the Debtor's Chapter 11 case to proceed.

Dated: June 1, 2026

Memphis, Tennessee

Respectfully submitted,

/s/ Curtis D. Johnson

Curtis D. Johnson

Florence M. Johnson

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CERTIFICATE OF COMPLIANCE

This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 32(a)(7)(B) because this brief contains **6,648** words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f) and Sixth Circuit Rule 32(b)(1).

This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type-style requirements of Federal Rule of Appellate Procedure 32(a)(6) because it has been prepared in a proportionally spaced typeface using **Microsoft Word** in **14-point Times New Roman** font.

.

Dated: June 1, 2026

Memphis, TN

/s/ Curtis D. Johnson

Curtis D. Johnson

Counsel for Appellant

CERTIFICATE OF SERVICE

I hereby certify that on June 1, 2026, I electronically filed the foregoing with the Clerk of the Court for the United States District Court for the Eastern District of Tennessee by using the CM/ECF system.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

Dated: June 1, 2026

Memphis, TN

/s/ Curtis D. Johnson

Curtis D. Johnson

Counsel for Appellant

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE

UNCLE NEAREST, INC. **Appellant,** **v.** **PHILLIP G. YOUNG, JR.,** **in his capacity as Receiver, et al.,** **Appellees.**	))))))))))))	**Case No. 3:26-cv-00135-CEA-DCP** **On Appeal from Case No.** **3:26-bk-30470-SHB**

MOTION TO EXTEND TIME TO FILE APPELLANT'S BRIEF
NUNC PRO TUNC TO JUNE 1, 2026

COMES NOW THE APPELLANT, by and through undersigned counsel, respectfully moves for an order extending the time to file Appellant's opening brief in this bankruptcy appeal, pursuant to Fed. R. Bankr. P. 8018(a)(1) and Fed. R. Bankr. P. 9006(b)(1). In support, Appellant states as follows:

1. This is an appeal from the Bankruptcy Court's Order Dismissing the Chapter 11 case entered on March 19, 2026.

2. The record on appeal was transmitted/docketed on 4/29/2026. While Appellant's opening brief would ordinarily be due thirty days after transmission of the record pursuant to Fed. R. Bankr. P. 8018(a)(1), Appellant previously filed its Emergency Motion to Expedite Appeal and Alternative Motion for Direct Certification (ECF No. 19), which remains pending before the Court. That motion specifically requested expedited review and court-directed management of the appellate schedule.

3. Appellant respectfully requests an extension of one day, up to and including June 1, 2026, to file the opening brief.

4. Good cause exists for the requested extension because Appellant filed a pending Motion to Expedite Appeal and Alternative Motion for Direct Certification before the Rule 8018 briefing period began, specifically requesting expedited review and court-directed management of the appellate schedule. The requested extension is minimal, sought in good faith, and not intended to delay these proceedings. The Court had not ruled on that motion before the Receiver filed his Motion to Dismiss Appeal.

5. Alternatively, Appellant respectfully requests relief on the basis of excusable neglect under Fed. R. Bankr. P. 9006(b)(1) and the equitable factors recognized in *Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. P'ship*, 507 U.S. 380 (1993).

6. In the Sixth Circuit, to determine whether to grant an extension, the courts consider: (1) the danger of prejudice to the nonmoving party; (2) the length of the delay and its potential impact on judicial proceedings; (3) the reason for delay; (4) whether the delay was within the reasonable control of the moving party; and (5) whether the late filing party acted in good faith. *Nafziger v. McDermott Intern., Inc.*, 467 F.3d 514, 522 (6th Cir. 2006). Each factor favors the requested extension. First, there is no prejudice to any party from a one-day extension. Indeed, the Receiver has identified no prejudice arising from the brief being filed on June 1, 2026. Second, the delay is minimal and has no meaningful impact on these proceedings, particularly where multiple motions remain pending before the Court. Third, the circumstances surrounding the requested extension arose while Appellant's Motion to Expedite Appeal remained pending and unresolved. Throughout that period, Appellant continued actively prosecuting the appeal, including briefing multiple substantive motions and ultimately filing its Opening Brief on June 1,

2026. Finally, Appellant acted in good faith, as evidenced by its prior Motion to Expedite Appeal, its continued prosecution of the appeal, and its filing of the Opening Brief on June 1, 2026. Under these circumstances, the equitable factors recognized in Pioneer and Nafziger strongly support the requested relief.

7. Counsel for Appellant has attempted to confer with counsel for Appellees regarding the relief requested herein but did not receive a response prior to filing this Motion.

WHEREFORE, Appellant respectfully requests that the Court enter an order extending the deadline to file Appellant's opening brief to June 1, 2026, and grant such other and further relief as the Court deems just and proper.

Respectfully Submitted,

JOHNSON & JOHNSON, P.C.

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Counsel for Appellant, Uncle Nearest, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of June, 2026 a copy of the foregoing was served via this Court's CM/ECF system on all counsel and parties consenting to receive electronic service.

/s/ Curtis D. Johnson
Curtis Johnson

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

UNCLE NEAREST, INC.,	)	
	)	
Appellant,	)	
	)	Case No. 3:26-cv-135
v.	)	
	)	Judge Atchley
	)	
PHILLIP YOUNG, *et al.*,	)	Magistrate Judge Poplin
	)	
Appellees.	)	

ORDER

Before the Court is Appellant's "Emergency Motion to Expedite Appeal Pursuant to F.R.B.P. 8013(b), and in the Alternative, For Certification of Direct Appeal to the Sixth Circuit Pursuant to 28 U.S.C. § 158(d)(2)" [Doc. 19]. For the following reasons, the Motion [Doc. 19] will be **DENIED**.

I. BACKGROUND

To fully understand the circumstances giving rise to this bankruptcy appeal, one must first understand the basics of another case also pending in this Court: *Farm Credit Mid-America, PCA v. Uncle Nearest, Inc.*, 4:25-cv-38.[1] Farm Credit Mid-America, PCA filed suit against Uncle Nearest, Inc., Nearest Green Distillery, Inc., Uncle Nearest Real Estate Holdings, LLC (collectively "Uncle Nearest"), Fawn Weaver, and Keith Weaver in July of last year, generally alleging they had breached a loan agreement with Farm Credit. 4:25-cv-38, Doc. 1. Alongside its complaint, Farm Credit filed a motion asking the Court to appoint a receiver over Uncle Nearest

[1] "'Federal courts may take judicial notice of proceedings in other courts of record.'" *Rodic v. Thistledown Racing Club, Inc.*, 615 F.2d 736, 738 (6th Cir. 1980) (quoting *Granader v. Public Bank*, 417 F.2d 75, 82-83 (6th Cir. 1969)).

and other associated entities and property during the course of the 4:25-cv-38 litigation. 4:25-cv-38, Doc. 3. The Court granted this motion on August 22, 2025, and appointed Phillip G. Young, Jr. of Thompson Burton, PLLC (hereinafter the "Receiver") to the position. 4:25-cv-38, Doc. 39.

On December 23, 2025, Fawn Weaver, Keith Weaver, and Grant Sidney, Inc. moved to terminate the receivership, arguing, among other things, that the receivership was harming Uncle Nearest. 4:25-cv-38, Doc. 91. While the Court was considering both this motion and a separate motion by the Receiver to expand the receivership's scope, Fawn Weaver filed a chapter 11 petition on behalf of Uncle Nearest, Inc. in the United States Bankruptcy Court for the Eastern District of Tennessee. [Doc. 20-1].

The Receiver and Farm Credit each promptly moved to dismiss the petition, arguing, among other things, that Fawn Weaver lacked authority to file it. [*See* Docs. 20-2, 20-3]. The Bankruptcy Court agreed and dismissed the petition from the bench. [Doc. 24-3; *see also* Doc. 20-4]. This appeal followed. [*See* Doc. 1]. Now, Appellant asks the Court to expedite consideration of this appeal on an emergency basis or, in the alternative, certify this matter for a direct appeal to the United States Court of Appeals for the Sixth Circuit pursuant to 28 U.S.C. § 158(d)(2).[2] [Doc. 19]. Both Farm Credit and the Receiver have responded in opposition to the Motion, [Docs. 21, 22], and Appellant has filed a reply [Doc. 24]. Accordingly, the Motion is ripe for review.

II. STANDARDS OF REVIEW

A. Standard for Expediting a Bankruptcy Appeal on an Emergency Basis

"For an appeal to be considered on an emergency, expedited basis, the Appellants must (i)

[2] The Motion requests, among other things, that the Court order the parties to submit their briefs simultaneously and within seven days of receipt of the record. [Doc. 19 at 6]. These specific requests are now moot. [*See* Doc. 20 (noting that the record was filed on April 29, 2026); Doc. 30 (Appellant's opening brief)]. But Appellant's general request for expedited review and its request for certification of a direct appeal remain ripe for adjudication.

show justification for considering the appeal ahead of other matters, and (ii) demonstrate immediate or irreparable harm that would occur in the absence of expediting the appeal." *Cap. Mgmt., L.P. v. TPC Grp. Inc.* (*In re TPC Grp. Inc.*), No. Chapter 11, 2022 U.S. Dist. LEXIS 132266, at *42-43 (D. Del. July 26, 2022) (internal quotation marks omitted); *see also* FED. R. BANKR. P. 8013(a)(2)(B) ("A motion to expedite an appeal must explain what justifies considering the appeal ahead of other matters.") & 8013(d)(1). Additionally, some courts look to 28 U.S.C. § 1657(a) for guidance when determining whether a bankruptcy appeal should be expedited on an emergency basis. *See In re Bechard*, No. 19-2025 (RAM), 2019 U.S. Dist. LEXIS 206812, at *3–4 (D.P.R. Nov. 27, 2019). Section 1657(a) provides that courts should "expedite the consideration of any action…if good cause is therefor shown." 28 U.S.C. § 1657(a). "Good cause" is shown under Section 1657(a) "if a right under the Constitution of the United States or a Federal Statute…would be maintained in a factual context that indicates that a request for expedited consideration has merit." *Id.*

B. Standard for Certifying a Direct Appeal to the Court of Appeals

Federal Rule of Bankruptcy Procedure 8006 provides that a party seeking the certification of a bankruptcy court's order to a court of appeals for direct review under 28 U.S.C. § 158(d)(2) must, among other things, state "the reasons why a direct appeal should be allowed, including which circumstance specified in 28 U.S.C. § 158(d)(2)(A)(i)–(iii) applies[.]" FED. R. BANKR. P. 8006(f)(2)(D). Said differently, a party seeking a direct appeal to a court of appeals must state:

> (i) the judgment, order, or decree involves a question of law as to which there is no controlling decision of the court of appeals for the circuit or of the Supreme Court of the United States, or involves a matter of public importance;
>
> (ii) the judgment, order, or decree involves a question of law requiring resolution of conflicting decisions; or

(iii) an immediate appeal from the judgment, order, or decree may materially advance the progress of the case or proceeding in which the appeal is taken;

28 U.S.C. § 158(d)(2)(A)(i)–(iii). If a party fails to state which of the three foregoing circumstances applies to their request for a direct appeal, their motion for certification of a direct appeal must be denied. *See Moyer v. Dutkiewicz* (*In re Dutkiewicz*), 403 B.R. 472, 475 (B.A.P. 6th Cir. 2009); FED. R. BANKR. P. 8006(f)(2)(D).

III. ANALYSIS

A. Appellant has failed to show that its appeal should be considered on an emergency, expedited basis.

Appellant argues expedited review of this appeal is warranted because (1) the Bankruptcy Court's Order dismissing the chapter 11 petition denied it its constitutional right to bankruptcy relief in contravention of controlling precedent, [*see* Doc. 19 at 7–9; Doc. 24 at 3], and (2) the continuation of the receivership is causing irreparable harm to Uncle Nearest, [*see* Doc. 19 at 10–11; Doc. 24 at 3–6]. These arguments are insufficient to justify expediting this appeal.

First, Appellant's argument that the Bankruptcy Court violated controlling precedent by dismissing its chapter 11 petition presupposes that Appellant's interpretation of the law is correct. But the interplay between federal equity receiverships and bankruptcy proceedings is more nuanced than Appellant acknowledges, and Appellant's success on appeal is not a foregone conclusion. Thus, Appellant can argue, at most, that its appeal should be expedited because it could prevail on appeal. Any appellant could make this argument, and the Court does not find it to be an adequate justification for expediting appellate review in this case. *See* FED. R. BANKR. P. 8013(a)(2)(B) ("A motion to expedite an appeal must explain what justifies considering the appeal ahead of other matters."); *see also* 28 U.S.C. § 1657(a).

Second, the Court recently denied the motion seeking to terminate the receivership in 4:25-cv-38, finding, among other things, that the receivership is more beneficial to Uncle Nearest than

it is harmful. *See* 4:25-cv-38, Doc. 198. The Court takes judicial notice of this finding and sees no reason to reach a different conclusion here. *See supra* note 1. Accordingly, the Court finds that, contrary to Appellant's position, the receivership is not causing irreparable harm to Uncle Nearest. This means Appellant lacks a necessary requirement for emergency, expedited review of its appeal. *See Cap. In re TPC Grp. Inc.*, 2022 U.S. Dist. LEXIS 132266, at *42–43; FED. R. BANKR. P. 8013(d)(1).

Considering the foregoing, the Court will deny Appellant's request that its appeal be heard on an emergency, expedited basis.

B. Appellant has failed to articulate why this matter should be certified for direct appeal.

Appellant argues in the alternative that the Court should certify this matter under 28 U.S.C. § 158(d)(2)(A) for direct appeal to the Sixth Circuit. [Doc. 19 at 12]. Appellant, however, never states "which circumstance specified in 28 U.S.C. § 158(d)(2)(A)(i)–(iii) applies" to its request. FED. R. BANKR. P. 8006(f)(2)(D). Instead, it merely asserts—without citation to any supporting authority—that "certification may be appropriate where a lower court's ruling departs from controlling authority and presents a pure question of law." [Doc. 19 at 12]. This is insufficient. As the Court has previously noted, a motion for certification of a direct appeal must state "which circumstance specified in 28 U.S.C. § 158(d)(2)(A)(i)–(iii) applies" to the request. FED. R. BANKR. P. 8006(f)(2)(D). If a motion fails to identify the applicable statutory circumstance, then it must be denied. *See In re Dutkiewicz*, 403 B.R. at 475. Accordingly, the Court will not certify this matter for direct appeal.

IV. CONCLUSION

For the foregoing reasons, Appellant's "Emergency Motion to Expedite Appeal Pursuant to F.R.B.P. 8013(b), and in the Alternative, For Certification of Direct Appeal to the Sixth Circuit

Pursuant to 28 U.S.C. § 158(d)(2)" [Doc. 19] is **DENIED**.

Additionally, the Court hereby **NOTIFIES** the parties that it will address Appellant's "Motion to Strike or, in the Alternative Set Aside the Bankruptcy Court's Supplemental Memorandum Opinion Dkt. Ent. 72" [Doc. 23], the Receiver's "Motion to Dismiss Appeal" [Doc. 29], and Appellant's "Motion to Extend Time to File Appellant's Brief Nunc Pro Tunc to June 1, 2026" [Doc. 31] alongside the merits of the appeal.

SO ORDERED.

/s/ Charles E. Atchley, Jr.
CHARLES E. ATCHLEY, JR.
UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
KNOXVILLE DIVISION

UNCLE NEAREST, INC.,	)	
	)	
Appellant,	)	**Case No. 3:26-cv-00135-CEA-DCP**
	)	
v.	)	**On Appeal from Case No.**
	)	**3:26-bk-30470-SHB**
PHILLIP G. YOUNG, JR., in his capacity as Receiver, et al.	)	
	)	
	)	
Appellees.	)	

APPELLEE RECEIVER PHILLIP G. YOUNG, JR.'S RESPONSE TO APPELLANT'S EMERGENCY MOTION TO PRESERVE THE STATUS QUO PENDING APPEAL

Comes now, Appellee Phillip G. Young, Jr., Receiver (the "Receiver") and hereby files his response (the "Response") to the Appellant's *Emergency Motion to Preserve the Status Quo Pending Appeal* (the "Emergency Motion")[1]. The Emergency Motion directly relates to the Receiver's proposed sale of certain Real Property located in Martha's Vineyard, Massachusetts in the separate Receivership Case[2] before this Court. The Receiver respectfully requests that this Court deny the Emergency Motion as it states no real or actual emergency, it is not filed in the correct or appropriate case, and Appellant files to cite the appropriate standing to seek a stay. In support thereof, the Receiver represents as follows.

BACKGROUND

1. On August 22, 2025, the Receiver was appointed by the U.S. District Court, Eastern District of TN to serve as Receiver over the entities in question. The Receiver continues to serve in that capacity.[3]

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[1] D.E. # 28
[2] Case No. 4:28-cv-00038
[3] This Court recently issued an order overruling a Motion to Terminate the Receivership and reaffirming the need for a Receiver in the related matter. *Id.* at Doc. No. 198.

2. On March 17, 2026, Fawn Weaver attempted to file Chapter 11 bankruptcy cases for three of the Receivership Entities[4] with the U.S. Bankruptcy Court for the Eastern District of Tennessee (Knoxville). The Receiver immediately sought to dismiss those bankruptcy filings as the Receivership Order explicitly grants him exclusive authority to execute a bankruptcy petition. Creditor/Appellee Farm Credit Mid-America filed an additional Motion to Dismiss asserting similar arguments to that of the Receiver.

3. On March 19, 2026, the Bankruptcy Court granted both motions to dismiss, holding that Ms. Weaver lacked the authority to file the bankruptcy cases in light of the Order Appointing Receiver entered by this Court in the related Receivership Case.[5]

4. The purported Debtor[6] immediately filed a notice of appeal of the Bankruptcy Court's decision on March 20, 2026.

5. Part of the Receivership Entities includes real property located at 10 Codman Springs Road, Edgartown, Massachusetts (the "Real Property"). On February 25, 2026, the Receiver filed his *Expedited Motion to Sell Real and Personal Property in Martha's Vineyard* (the "Martha's Vineyard Motion")[7]. The Martha's Vineyard Motion seeks to sell the Real Property to a non-insider third party for approximately $2,595,000.00.

6. On February 26, 2026, the Court issued an Order[8] setting out the briefing schedule for the Martha's Vineyard Motion.

7. On March 5, 2026, Grant Sidney, Inc., Fawn Weaver, and Keith Weaver (the "Weaver Parties") filed their *Response in Opposition to the Receiver's Expedited Motion to Sell*

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[4] Defined in the Receivership Order as "Subject Entities", *Id.*, Doc No. 39.
[5] 3:26-bk-30470-SHB D.E. # 48
[6] This Court has previously ruled that no one but the Receiver can speak on behalf of Uncle Nearest, Inc.; therefore, it is a procedural nullity that Fawn Weaver seeks to pursue this appeal on behalf of the Appellant.
[7] 4:25-cv-00038, Doc. No. 147.
[8] 4:25-cv-00038, Doc. No. 150.

Real and Personal Property in Martha's Vineyard (the "Weaver Response").[9] The Weaver Response objects to the sale of the Real Property because the previously filed Motion to Reconsider had not yet been ruled upon and because they allege the Receiver ignores the Uncle Nearest enterprise value in selling the Real Property.

8. Following the Weaver Response, the Court ordered the Receiver to seek 3 appraisals of the Real Property[10] and following those appraisals[11], publish notice of the proposed sale in the Vineyard Gazette[12]. The Court further set a hearing on the Martha's Vineyard Motion for June 11, 2026.

9. The Weaver Parties objected to the Receiver's proposed appraisers and have further participated in the litigation of this issue.

10. The Weaver Parties (as Appellants here) now seek to obtain a stay of the hearing on the Martha's Vineyard Motion through an emergency request in this appeal of the bankruptcy court dismissal. This very circuitous attempt to seek a stay is improper in this matter, does not set forth the appropriate standard, and ignores the Weaver Parties continued participating in the Receivership Case and the Martha's Vineyard Motion. The Weaver Parties again seek to alert this Court to an emergency that they have been participating in for months.[13]

THE APPELLANT'S MOTION DOES NOT FOLLOW THE APPRORIATE PROCEDURE FOR A STAY PENDING APPEAL

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[9] 4:25-cv-00038, Doc. No. 163.
[10] *See* Case No. 4:25-cv-00038, Doc Nos. 177, 188,
[11] *See* Id. Doc. No. 196. All three property appraisals valued the Real Property at $2,600,000.00.
[12] Id. Doc. No. 197
[13] *See Emergency Motion to Expedite Appeal Pursuant to F.R.B.P. 8013(B), and in the Alternative, for Certification of Direct Appeal to the Sixth Circuit Pursuant to 28 U.S.C. § 158(d)(2)*, Doc No. 19.

11. The Emergency Motion seeks to "preserve the status quo pending appeal." For the purposes of this Response, the Receiver will address this as if the Appellants were seeking a stay pending appeal, which the Receiver asserts is the appropriate method of review.

12. In order to stay proceedings pending an appeal, the Appellant must seek a stay pending appeal through the original court, in this case the Bankruptcy Court.[14] As of the filing of this Response, Appellant has failed to seek a stay through the Bankruptcy Court.

13. Only following the denial of such Motion to Stay Pending Appeal by the Bankruptcy Court may the Appellant then seek such relief before this Court.[15]

14. While there is no current Motion to Stay Pending Appeal before the bankruptcy court, the Receiver asserts that even under a hypothetical scenario, Appellants couldn't prove that a stay should be allowed.

15. In order to obtain a stay, the Sixth Circuit has stated that the Appellant must show that a stay is necessary through a four-factor balancing test. Those four factors are, "(1) whether the stay applicant has made a strong showing that he is likely to succeed on the merits; (2) whether the applicant will be irreparably injured absent a stay; (3) whether issuance of the stay will substantially injure the other parties interested in the proceeding; and (4) where the public interest lies."[16]

16. Even under a hypothetical scenario, Applicant can't meet its burden under this balancing test. This Court has already acknowledged that Appellant's success "is not a foregone conclusion,"[17] thus indicating that it would be quite difficult to make a strong showing of success

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[14] *See* Fed. R. Bankr. P. 8007(a)(1).
[15] *See* Fed. R. Bankr. P. 8007(b)(2)(A)-(B).
[16] *League of Indep. Fitness Facilities & Trainers, Inc. v. Whitmer*, 814 Fed. Appx. 125, 127 (6th Cir. 2020)
[17] *See* Order, Doc. No. 32, pg. 4 "First, Appellant's argument that the Bankruptcy Court violated controlling precedent by dismissing its chapter 11 petition presupposes that Appellant's interpretation of the law is correct. But the interplay between federal equity receiverships and bankruptcy proceedings is more nuanced than Appellant acknowledges, and Appellant's success on appeal is not a foregone conclusion."

on the merits. Furthermore, this Court has also ruled that the Receivership should continue (over the objection of Appellant parties) and has stated that "the receivership is not causing irreparable harm to Uncle Nearest.[18]" While Appellant does not have to satisfy every factor of the balancing test, the Appellant here would not be able satisfy a single factor.

THE APPELLANT'S STATED "EMERGENCY" IGNORES THEIR PARTICIPATION IN THE MULTIPLE ONGOING RELATED CASES

17. The Emergency Motion ignores the Appellant's participation and role in all of these matters over the last nine (9) months. In every motion filed with this Court, the Appellants claim that the matter before the court is a dire emergency. This Emergency Motion is just more of the same.

18. Specific to the Real Property, the Weaver Parties filed an objection to the Motion to Sell and an objection to the Receiver's list of appraisers. The June 11 hearing is their opportunity to argue their objection. There is no emergency that should stop this hearing from going forward.

19. This Court has repeatedly acknowledged that the receivership is not causing irreparable harm to Uncle Nearest.

20. Given the fact that the Weaver Parties have not sought, or received, a stay pending this appeal by the Bankruptcy Court, that the emergency claimed is the same emergency that the Weaver Parties have asserted since December of last year, and that the Weaver Parties have filed objections to the sale of the Real Property and participating in those proceedings, their Emergency Motion seeking to preserve the status quo is meritless and should be denied.

WHEREFORE, the Receiver respectfully request that this Court deny the Emergency Motion to Preserve the Status Quo Pending Appeal and further allow the June 11 hearing on the sale of the Real Property to proceed as scheduled.

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[18] *Id.* at pg. 5.

Dated this 2nd day of June, 2026.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served via the Court's ECF system and served via United States Mail and electronic mail on the following parties:

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