

SO ORDERED.
SIGNED 4th day of September, 2026

THIS ORDER HAS BEEN ENTERED ON THE DOCKET.
PLEASE SEE DOCKET FOR ENTRY DATE.



Charles M. Walker
U.S. Bankruptcy Judge



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

In re:	)	
	)	Case No. 3:26-BK-00316
	)	Chapter 7
Paladin Capital, Inc., et al., ¹	)	Judge Walker
	)	(Substantively Consolidated) ²
Debtor.	)	

**STIPULATION AND AGREED ORDER GRANTING PENSKE
TRUCK LEASING CO., L.P. RELIEF FROM THE AUTOMATIC STAY**

Penske Truck Leasing Co., L.P. (“Penske”) and Jeanne Ann Burton, the Chapter 7 Trustee appointed in these cases (in such capacity, the “Trustee”), each appearing through their undersigned counsel, have agreed to terms upon which Penske will receive relief from the automatic stay to exercise remedies including repossession with respect to the Vehicles (defined

¹ Pursuant to the Court’s *Order Granting Motion to Consolidate Substantively pursuant to Section 105 of the Bankruptcy Code* entered on August 3, 2026 (Doc. 324), the case of Debtor SNL Distributing Services Corp. is being substantively consolidated with Case No. 3:26-bk-00316, and “Each motion, application, and notice shall be . . . filed in the case Paladin Capital, Inc., Case No. 3:26-bk-00316.”

² The Debtors’ respective tax identification numbers (last four digits) and case numbers are set forth in the Declaration of Brian Hall, ECF No. 4.

below) that is subject to the rights of Penske. In furtherance of the stay relief that the Trustee has agreed to provide to Penske, the Trustee and Penske each respectfully state as follows:

Stipulated Facts and Background

A. On January 26, 2026 (the “Petition Date”), the above-captioned debtors (each a “Debtor” and collectively, the “Debtors”) each filed voluntary chapter 11 bankruptcy petitions. On February 18, 2026 (the “Conversion Date”), the Court entered an order converting each of the Debtors’ bankruptcy cases to chapter 7 proceedings.

B. Prior to the Petition Date, on or about December 31, 2001, SNL Distributing Services Corp. (“SNL”) and Penske entered into a Vehicle Lease Service Agreement (collectively, the “VLSA”), pursuant to which Penske leased to SNL certain vehicles as described on Schedule A dated September 2, 2022 executed by Penske and SNL (collectively, the “Leased Vehicles”). Copies of the VLSA and Schedule A are attached as *Exhibits A* and *B* respectively. Under the VLSA, “Events of Default” include, among other things, SNL’s failure to pay any charges to Penske when due under the VLSA. Upon the occurrence of any one of the Events of Default, Penske’s remedies pursuant to the VLSA include the rights to “take immediate possession of, and remove, any and all Vehicles . . . wherever located”. Prior to and following the Petition Date, SNL defaulted under the terms of the VLSA by failing to make payments to Penske.

C. Also, prior to the Petition Date, on or about January 7, 2026, SNL and Penske entered into a Rental Agreement (the “Rental Agreement” and together with the VLSA, the “Agreements”), pursuant to which SNL rented a vehicle from Penske (the “Rental Vehicle” and together with the Leased Vehicles, the “Vehicles”) with the expected drop off date of January 14, 2026. A copy of the Rental Agreement is attached as *Exhibit C*. Under the Rental Agreement,

“[f]ailure to return rental property or equipment upon expiration of the rental period and failure to pay all amounts due . . . are evidence of abandonment or refusal to redeliver the property”

SNL failed to return the Rental Vehicle to Penske.

D. Penske provided the following Vehicles to SNL under the Agreements:

- Two (2) 2024 Freightliner HPTL SADC Tractors pursuant to the VLSA:
 - VIN 3AKBHKDV1RSUU4970
 - VIN 3AKBHKDV3RSUU4971
- One (1) 2021 Freightliner HPTL TADC Tractor pursuant to the Rental Agreement:
 - VIN 3AKJHLDR0MSMS4691

E. Penske submits that as of the Petition Date, the Debtors remained in possession of the Vehicles that are subject to the Agreements and had outstanding prepetition obligations to Penske in an amount in excess of \$13,073.90, giving rise to claims against certain of the Debtors' estates (such obligations, the “Prepetition Obligations”). On May 12, 2026, Penske filed its Proof of Claim No. 4 in the SNL Distributing Services Corp. bankruptcy case (“POC No. 4”) in which it seeks recovery for the Prepetition Obligations.³

F. Post-petition, the Debtors have continued to fail to make payments and have outstanding post-petition obligations to Penske in an amount of \$44,775.82 (the “Post-petition Obligations” and together with the Prepetition Obligations, the “Obligations”). A copy of the statement reflecting the Obligations is attached as *Exhibit D*. Penske has not received any adequate protection payments from the Debtors related to the Agreements.

³ See Case No. 26-00330, Proof of Claim No. 4-1.

G. Penske submits that the Vehicles in the possession of the Debtors are the property of Penske subject to Penske's claims against the bankruptcy estates. The Trustee reserves all rights with respect to the amount of the Obligations.

H. Because of adverse tax consequences to the Debtors' estates, and/or because it is otherwise not economical for the Trustee to administer such assets, the Trustee submits that it is in the best interests of the Debtors' estates that Penske be granted relief from the automatic stay in order to exercise all of the remedies that Penske is entitled to pursuant to the Agreements including but not limited to repossessing, liquidating or re-leasing the Vehicles with the proceeds of any such sales and liquidations (less Penske's expenses of retaking, storage, repair, and resale) of the Leased Vehicles being applied to reduce the outstanding balance of Obligations associated with the Leased Vehicles owed to Penske consistent with the terms of Section 15 of the VLSA. Pursuant to Section 15 of the VLSA, Penske may also elect to not sell the Leased Vehicles and credit the Debtor with the then Net Fair Market Value of the Leased Vehicles as defined in Section 15 of the VLSA. For the avoidance of doubt, any action taken on the Rental Vehicle whether through retaining, selling or re-renting does not reduce the Obligations.

Agreed Order

Upon the negotiations of Penske and the Trustee culminating in the submission of this stipulation and agreed Order; and the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iii) notice of this stipulation and agreed Order was sufficient under the circumstances and that no other or further notice need be provided, and (iv) the Trustee and Penske have agreed to the terms set forth in this Order and consented to its entry; and the Court having determined that the relief set forth in this stipulation and agreed Order is in the best interests of the

Debtors, their estates, and creditors; and after due deliberation and sufficient cause appearing therefore, it is hereby:

ORDERED, ADJUDGED, AND DECREED THAT

1. Cause exists pursuant to section 362(d)(1) in order to grant Penske relief from the automatic stay in order to exercise any and all rights available to Penske under the Agreements with respect to the Vehicles. Accordingly, Penske is granted relief from the automatic stay, consistent with the other terms set forth below, effective as of the date of this Order, to exercise remedies against, sell and/or re-lease any of the Vehicles. Penske may apply any proceeds received from the sale or collection of any of the Leased Vehicles to reduce the outstanding Obligations associated with the Leased Vehicles under and consistent with the VLSA, including the use of such proceeds in furtherance of its efforts to recover, liquidate, re-lease and monetize the Vehicles.

2. In its sole discretion, Penske is authorized to engage any consultants, marketing firms, liquidation agents, and other professionals or representatives that it believes are necessary or desirable to facilitate the recovery, sale and/or liquidation of the Vehicles. Penske shall be responsible for all fees and costs associated with any professionals or representatives employed by Penske in the recovery, sale and/or liquidation process. Penske shall not be precluded from the assertion of such fees and costs as part of any claims asserted against the Debtors' estates, to the extent allowed under the Agreements, and subject to the claims allowance process under the Bankruptcy Code. Further, Penske reserves all rights to supplement or amend its POC No. 4 with respect to the Obligations.

3. The Trustee shall cooperate with Penske to provide Penske and Penske's representatives with reasonable access to the Vehicles, including the location information and physical access, the turnover of any keys, and access to other data maintained by the Debtors that

would be beneficial to Penske's recovery, sale and collection efforts. The cost of maintaining and/or accessing that data shall be borne by Penske. As noted above, Penske is not precluded from seeking these amounts as part of its POC No. 4.

4. Subject to the right of the Trustee to bring a Challenge Action as set forth below, unless a Challenge Action is commenced within ninety (90) days after the date of entry of this Order, upon the ninety-first (91st) day after entry of this Order, the validity, extent, priority, perfection, enforceability and non-avoidability of Penske's rights against the Vehicles shall not be subject to challenge by the Trustee, the Debtors, or their estates.

5. Notwithstanding any other provisions of this Order, the Trustee shall have until ninety (90) days after entry of this Order (such period, the "Challenge Period"), to commence an adversary proceeding against Penske for the purpose (collectively, a "Challenge Action") of:

- a. challenging the validity, extent, priority, perfection, enforceability and non-avoidability of liens (as applicable) against the Debtors; or
- b. challenging Penske's ownership interest in the Vehicles (including whether Penske's Agreements are a "true lease" or rather a disguised security agreement); or

Nothing herein shall be deemed to limit the time within which the Trustee may bring an action:

- a. seeking to avoid or challenge (whether pursuant to Chapter 5 of the Bankruptcy Code or otherwise) any transfer made by or on behalf of the Debtors to or for the benefit of Penske;
- b. contesting the amount of Penske's asserted claims related to the Agreements; or
- c. seeking damages or equitable relief against Penske arising from or related to business relationships of Penske under the Agreements with the Debtors, including without limitation equitable subordination, recharacterization, and lender liability claims and causes of action.

6. If the Trustee fails to commence a Challenge Action in accordance with the time periods set forth in the preceding paragraph, the Trustee, the Debtors, and their estates shall be,

and hereby are, barred forever from commencing a Challenge Action and shall be bound by the waivers and terms set forth in this Order. Any Challenge Action filed shall prohibit application of this paragraph only to the extent of the specific matters set forth in such Challenge Action on the date of filing unless otherwise ordered.

7. Nothing in this Order shall impair the Trustee's ability to monetize any unencumbered estate assets, including, without limitation, any rolling stock, parts, or other equipment that is not subject to a validly perfected lien or other interest in favor of Penske.

8. Penske and the Trustee may amend or modify the terms of this stipulation in a subsequent, written agreement between Penske and the Trustee, without further Court order.

9. The stay imposed by Fed. R. Bankr. P. 4001(a)(4) is hereby waived for cause shown, and this Order shall become effective immediately upon entry by this Court.

10. This Court shall retain jurisdiction with respect to all matters arising from or relating to the implementation of this Order.

THIS ORDER WAS SIGNED AND ENTERED ELECTRONICALLY AS INDICATED AT THE TOP OF THE FIRST PAGE.

Submitted By:

/s/Christina Buru (with permission)

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