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

In re:	§	**Chapter 11**
	§	
SPHERATURE INVESTMENTS, LLC, *et al.*	§	**Case No.: 20-42492**
	§	
	§	**Joint Administration Requested**
Reorganized Debtors.[1]	§	

MOTION OF MELODY YIRU FOR RELIEF FROM THE PLAN INJUNCTION TO PURSUE AVAILABLE INSURANCE

14-DAY NEGATIVE NOTICE – LBR 4001:

YOUR RIGHTS MAY BE AFFECTED BY THE RELIEF SOUGHT IN THIS PLEADING. YOU SHOULD READ THIS PLEADING CAREFULLY AND DISCUSS IT WITH YOUR ATTORNEY, IF YOU HAVE ONE IN THIS BANKRUPTCY CASE. IF YOU OPPOSE THE RELIEF SOUGHT BY THIS PLEADING, YOU MUST FILE A WRITTEN OBJECTION, EXPLAINING THE FACTUAL AND/OR LEGAL BASIS FOR OPPOSING THE RELIEF.

NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING WITHIN FOURTEEN (14) DAYS FROM THE DATE OF SERVICE SHOWN IN THE CERTIFICATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING

[1] The "Reorganized Debtors" or "Debtors" in the above-captioned jointly administered chapter 11 bankruptcy cases ("Cases") have listed their identification and EIN numbers as: Spherature Investments LLC ("Spherature") EIN#5471; Rovia, LLC ("Rovia") EIN#7705; WorldVentures Marketing Holdings, LLC ("WV Marketing Holdings") EIN#3846; WorldVentures Marketplace, LLC ("WV Marketplace") EIN#6264; WorldVentures Marketing, LLC ("WV Marketing") EIN#3255; WorldVentures Services, LLC ("WV Services") EIN #2220. The Debtors list their corporate headquarters in some pleadings, but not others, as 5100 Tennyson Parkway, Plano, TX 75024.

SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING WITH APPROPRIATE NOTICE. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

TO THE HONORABLE JUDGE OF SAID COURT:

Movant Melody Yiru, by and through counsel, hereby moves, pursuant to 11 U.S.C. § 362(d) of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 4001 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 4001 of the Local Rules of the United States Bankruptcy Court for the Eastern District of Texas (the "Local Rules"), for limited relief from the plan injunction and automatic stay to the extent not extinguished by confirmation of the Plan for the purpose of pursuing recovery against the Debtors' insurance policies, and respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(G). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
2. The statutory predicates for the relief requested herein are sections 362(d) of the Bankruptcy Code, Bankruptcy Rules 4001, 9014(c), and Local Rule 4001.

BACKGROUND

3. Ms. Yiru is the named plaintiff and proposed class representative in *Yiru v. WorldVentures Marketing, LLC et al.*, Case No. 3:17-cv-02155-S (N.D. Tex.). That case, filed in 2017, alleges that certain of the Debtors and other non-debtor parties engaged in unfair business

practices and were operating a pyramid scheme, an endless chain, and engaging in other unfair business practices.

4. On December 21, 2020 (the "Petition Date"), each of the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code in this Court. The Plan was confirmed on November 12, 2021. By virtue of confirmation of the Plan, a plan injunction has gone into place and the automatic stay has been extinguished.

5. On July 16, 2021, this Court entered an Order on an expanded motion for relief from stay filed by Ms. Yiru. The Court denied Ms. Yiru's request for relief from the automatic stay "at this time" but granted her request to confirm that the automatic stay does not apply to claims against non-debtor defendants. Notably, the Court's Order specifically reserved "any party's right to raise any argument with respect to the Lawsuit, including, but not limited to, any argument that continued prosecution of the Lawsuit interferes with any estate property, including insurance" and did not "grant relief from the automatic stay to Melody Yiru to continue pursuit of the Lawsuit, or to assert claims against debtors insurance policies." However, because the sole source of payment on the claims against the non-debtor parties would come through the Policies, as subsequently defined, it is essential that relief from the Plan Injunction be entered as to the Policies. At that time, the Debtor and Liquidating Trustee had repeatedly stated that the Estates, now the Reorganized Debtors, were evaluating these insurance policies and claims for the benefit of creditors. In addition, payment on any claims as to the acts and omissions of the non-debtor defendants could only be pursued through insurance based on the professed lack of collectability against the insiders.

6. **Insurance Policies Listed on Schedule A/B**: On January 22, 2021, the Debtors filed their Schedule A/B, Part 11, Question 73, listing their interests in insurance policies (collectively, the "Policies") with a total face value of $48,805,023.00, including:
    - **Beazley Insurance Company, Inc.** (Policy V1EF97200401): Primary D&O policy - $2,500,000.00
    - **Houston Specialty Insurance Company** (Policy HPRO-CX-HS-0000008-01): Excess D&O coverage - $2,500,000.00
    - **Beazley Insurance Company, Inc.** (Policy V26A2C200201): Crime policy - $10,000,000.00
    - **The Hartford Financial Services Group, Inc.** (Policy 61 WB AF8WZ2): Workers compensation policy - $1,000,000.00
    - **The Hartford Financial Services Group, Inc.** (Policy 61 XHU HN7796): Umbrella policy - $15,000,000.00
    - **The Hartford Financial Services Group, Inc.** (Policy 61 UUN HN7968): Domestic package policy - $6,805,023.00
    - **The Hartford Financial Services Group, Inc.** (Policy 61 CPG HH6339): International package policy - $2,000,000.00
    - **AIG** (Policy 03-991-07-78): Employed lawyers E&O policy - $2,000,000.00
    - **Chubb** (Policy 8223-6257): Workplace violence - $1,000,000.00
    - **Endurance American Insurance Company** (Policy PRV30001608900): Cyber policy - $5,000,000.00
    - **Hiscox Insurance Company** (Policy UKA3013552.20): Kidnap & ransom - $1,000,000.00

7. Apparently, no further interest has been pursued by the Trustee since the Plan was confirmed or those efforts have been exhausted, despite the substantial value of these insurance policies and their potential benefit to Ms. Yiru's direct claims, including the proposed class.

8. Ms. Yiru now seeks relief from the plan injunction and automatic stay solely to pursue recovery against these insurance policies for the benefit of herself and the proposed class members establishing only the Debtors' nominal liability for the limited purpose of recovering directly from insurance proceeds.

RELIEF REQUESTED

9. By this Motion, Ms. Yiru respectfully requests that the Court enter an order, pursuant to section 362(d) of the Bankruptcy Code and Bankruptcy Rule 4001, granting limited relief from the plan injunction and automatic stay (to the extent the stay did not dissolve by virtue of the Confirmation Order) solely to allow Ms. Yiru to pursue recovery against the insurance policies listed in the Debtors' Schedule A/B by establishing the Debtors' nominal liability for acts covered by such policies.

LEGAL ANALYSIS

A. Courts Routinely Grant Stay Relief to Allow Liquidation of Insurance Coverage

10. In *In re Edgeworth*, 993 F.2d 51 (5th Cir. 1993), the Fifth Circuit held that creditors are permitted to pursue actions against discharged debtors solely to establish the debtor's nominal liability so as to recover directly from the debtor's insurer. The court explained that "Section 524(e) specifies that the debt still exists and can be collected from any other entity that might be liable." *Id.* at 53. The Fifth Circuit emphasized that such actions do not inequitably burden the debtor when "the costs of defense are borne by the insurer and there is no execution on judgment against the

debtor personally." *Id.* at 54. Here, Ms. Yiru has been informed that insurance carriers are paying the costs of litigation, eliminating any burden on the Debtors consistent with *Edgeworth*.

11. Courts routinely grant stay relief to allow liquidation of insurance coverage because such proceedings serve important policy interests without harming the bankruptcy estate. Insurance proceeds provide recovery to injured parties while preserving estate assets, and such relief advances the fundamental bankruptcy policy of maximizing recovery for creditors while efficiently administering the estate. *See In re Fowler*, 259 B.R. 856, 858 (Bankr. E.D. Tex. 2001).

12. The *Edgeworth* court further held that liability insurance proceeds are not property of the bankruptcy estate when they are "payable only for the benefit of those harmed by the debtor under the terms of the insurance contract." *Id.* at 55. The court noted that "[w]hen a payment by the insurer cannot inure to the debtor's pecuniary benefit, then that payment should neither enhance nor decrease the bankruptcy estate." *Id.* This principle applies directly here, where the insurance policies listed on Schedule A/B include liability coverage that would benefit only tort claimants, not the Estate.

13. Although the Debtors received the equivalent of a discharge through the plan injunction, courts have held that plan injunctions pursuant to 524(e) "are not intended to and do not protect third parties such as liability insurers." *In re HNRC Dissolution Co.*, Case No. 03-14261 (Bankr. E.D. Ky. 2006). Movant's only source of recovery will likely be the insurance policies given the low proposed pro rata payout to unsecured creditors estimated in the Plan.

B. Cause Exists to Grant Relief from the Plan Injunction and Automatic Stay

14. 11 U.S.C. § 362(d)(1) provides that the Bankruptcy Court may grant relief from the automatic stay "for cause." The Supreme Court has recognized in *Foust v. Munson S. Line*, 299 U.S. 77 (1936), that it was an abuse of discretion not to lift the stay of a suit against available

insurance. The Seventh Circuit reached the same result in *Matter of Hoflkamp*, 669 F.2d 505, 508-509 (7th Cir. 1982), finding that pursuing insurance would not interfere with the bankruptcy proceeding.

15. The following factors support granting relief:

1. **No Harm to the Estate**: The requested relief seeks recovery only from insurance policies, not from estate assets. The Estate has apparently abandoned any effort to pursue these valuable insurance assets since Plan confirmation or has otherwise exhausted its effort towards these policies.
2. **Judicial Economy**: Rather than requiring the Estate to pursue these claims, allowing Ms. Yiru to do so will achieve the same result without additional burden on the bankruptcy estate or trustee.
3. **Maximization of Recovery for Creditors**: The insurance policies have a total stated value of over $48 million. Allowing pursuit of these policies serves the fundamental bankruptcy goal of maximizing creditor recovery.
4. **No Interference with Administration**: Since the Plan has been confirmed and the Estate has not pursued these policies, allowing Ms. Yiru to do so will not interfere with any ongoing estate administration. To that end, there has been no determination whether the policies are assets of the estate.

16. Courts consistently grant stay relief for insurance liquidation because such proceedings do not interfere with bankruptcy administration while serving important policy goals. *See In re Turner*, 55 B.R. 498, 501-02 (Bankr. N.D. Ohio 1985); *In re McGraw*, 18 B.R. 140, 142 (Bankr. W.D. Wis. 1982). The legislative history of § 362(d)(1) supports this approach, noting that "cause" may include "a desire to permit an action to proceed to completion in another tribunal"

where "no great prejudice to the bankruptcy estate would result." H.R. Rep. No. 95-595, 343-44 (1977).

CONCLUSION

14. Based upon the factors set forth in this motion, and given that the Reorganized Debtors have exhausted pursuit of the insurance policies and/or the policies are not property of the estate, Ms. Yiru respectfully requests that relief from the plan injunction and automatic stay (to the extent not extinguished) be granted solely to allow pursuit of recovery against the insurance policies listed in the Debtors' Schedule A/B, and that she will add the Reorganized Debtors nominally, and will waive any claim for recovery from the Estates/Reorganized Debtors personally.

DATED: September 19, 2025

Respectfully submitted by:

/s/ *Blake J. Lindemann*

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COUNSEL FOR MOVANT MELODY YIRU
AND THOSE SIMILARLY SITUATED

CERTIFICATE OF SERVICE

On September 19, 2025, I electronically submitted the foregoing document with the clerk of the court of the U.S. Bankruptcy Court, Eastern District of Texas, using the electronic case filing system of the Court. I hereby certify that I will serve the parties individually or through their counsel of record, electronically, or by other means authorized by the Court or the Federal Rules of Civil Procedure.

VIA FIRST CLASS MAIL

Joseph M. Coleman
Kane, Russell, Coleman & Logan P.C.
901 Main Street, Suite 5200
Dallas, TX 75202

United States Trustee Office
Attn: Marcus Salitore
110 N. College Ave., Room 300
Tyler, TX 75702

Spherature Investments, LLC
8105 Rasor Blvd., Suite 109
Plano, TX 75024

/s/ *Blake J. Lindemann*
Blake J. Lindemann

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	§	
SPHERATURE INVESTMENTS, LLC, *et al.*	§	**Case No.: 20-42492**
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	§	**Joint Administration Requested**
Reorganized Debtors.[1]	§	

DECLARATION OF BLAKE J. LINDEMANN IN SUPPORT OF MOTION OF MELODY YIRU FOR RELIEF FROM THE PLAN INJUNCTION TO PURSUE AVAILABLE INSURANCE

I, Blake J. Lindemann, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am over the age of 21 years and I am competent to make this Declaration. I have personal knowledge of the facts as stated in this Declaration, or if I rely on business records, I will so personally state. I am one of the attorneys for Plaintiff Melody Yiru in *Yiru v. WorldVentures Marketing, LLC et al.*, Case No. 3:17-cv-02155-S N.D. Tex.).

2. I submit this declaration in support of Melody Yiru's Motion for Relief from the Plan Injunction to Pursue Available Insurance.

[1] The "Reorganized Debtors" in the above-captioned jointly administered chapter 11 bankruptcy cases ("Cases") have listed their identification and EIN numbers as: Spherature Investments LLC ("Spherature") EIN#5471; Rovia, LLC ("Rovia") EIN#7705; WorldVentures Marketing Holdings, LLC ("WV Marketing Holdings") EIN#3846; WorldVentures Marketplace, LLC ("WV Marketplace") EIN#6264; WorldVentures Marketing, LLC ("WV Marketing") EIN#3255; WorldVentures Services, LLC ("WV Services") EIN #2220. The Debtors list their corporate headquarters in some pleadings, but not others, as 5100 Tennyson Parkway, Plano, TX 75024.

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5. We had been advised by Debtors' Counsel previously that defense costs were being paid by one of the insurance carriers. Upon information and belief, the insurance carriers will continue to bear defense costs, eliminating any burden on the Reorganized Debtors.

Moreover, the Debtors have demonstrated the ability to pay counsel costs through the bankruptcy proceeding and ancillary litigation, based on our review of the docket and related adversary proceedings, in this matter.

6. Without relief from the Plan injunction as to the Policies, Ms. Yiru cannot obtain any meaningful recovery against the insiders of the Debtors that the Court has already confirmed the automatic stay does not apply to. Ms. Yiru seeks relief solely to establish the Reorganized Debtors' nominal liability for the limited purpose of recovering against the insurance policies listed on Schedule A/B. Ms. Yiru expressly waives any claim for personal recovery against the Reorganized Debtors or their estates, consistent with the relief permitted under In re Edgeworth and similar authorities

Executed this 19th day of September, 2025, at Beverly Hills, California. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

/s/ *Blake J. Lindemann*
Blake J. Lindemann

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

In re:	§	**Chapter 11**
	§	
SPHERATURE INVESTMENTS, LLC, *et al.*	§	**Case No.: 20-42492**
	§	
	§	**Joint Administration Requested**
Reorganized Debtors.[1]	§	

ORDER GRANTING MOTION OF MELODY YIRU FOR RELIEF FROM THE PLAN INJUNCTION TO PURSUE AVAILABLE INSURANCE

Upon the Motion of Melody Yiru for Order Granting Relief from the Plan Injunction to Pursue Available Insurance; and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2), and (c) notice of the Motion was due and proper under the circumstances; and it appearing that the relief requested in the Motion is in the best interest of the Reorganized Debtors and creditors, and after due deliberation, and good and sufficient cause appearing therefore, it is hereby:

ORDERED that the Motion is granted; it is further

ORDERED that Ms. Yiru may pursue case *Yiru v. WorldVentures Marketing, LLC et al.,* Case No. 3:17-cv-02155-S, in the United States District Court for the Northern District of Texas, limited to available insurance proceeds.

[1] The "Debtors" in the above-captioned jointly administered chapter 11 bankruptcy cases ("Cases") have listed their identification and EIN numbers as: Spherature Investments LLC ("Spherature") EIN#5471; Rovia, LLC ("Rovia") EIN#7705; WorldVentures Marketing Holdings, LLC ("WV Marketing Holdings") EIN#3846; WorldVentures Marketplace, LLC ("WV Marketplace") EIN#6264; WorldVentures Marketing, LLC ("WV Marketing") EIN#3255; WorldVentures Services, LLC ("WV Services") EIN #2220. The Debtors list their corporate headquarters in some pleadings, but not others, as 5100 Tennyson Parkway, Plano, TX 75024.

ORDERED, that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: Plano, Texas _____, 2025

_____
HONORABLE BRENDA T. RHOADES
CHIEF UNITED STATES BANKRUPTCY JUDGE

Submitted and Prepared by:

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AND THOSE SIMILARLY SITUATED