

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
FLUID MARKET, INC., <i>et al.</i> , ¹	)	
	)	Case No. 24-12363 (CTG)
Debtors.	)	(Jointly Administered)
	)	

**DEBTORS’ MOTION FOR (I) (A) APPROVAL OF RECONCILIATION
AND DISTRIBUTION METHODOLOGY FOR SEGREGATED FUNDS
AND (B) AUTHORIZATION TO DISTRIBUTE SEGREGATED FUNDS,
(II) AUTHORIZATION TO APPLY DISTRIBUTION METHODOLOGY
TO FUTURE PROCEEDS, (III) DELIVERY OF WINDOW PROCEEDS
AND FUTURE DAMAGE CLAIM PROCEEDS, AND (IV) RELATED RELIEF**

The debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) hereby move the Court (this “Motion”), pursuant to sections 105(a) and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), for the entry of an order substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), (i) (a) approving the Debtors’ reconciliation of and distribution methodology for the distribution of certain segregated funds and certain other funds received going forward, as described below, (b) authorizing the Debtors to distribute the segregated funds in accordance therewith, (ii) authorizing the Debtors to apply the distribution methodology to certain proceeds received in the future and distribute accordingly, (iii) directing Kingbee Rentals, LLC (“Kingbee”) to deliver (i) to the extent not already done, within five days of entry of the Proposed Order, all Damage Claim Proceeds (as defined below) received by Kingbee after the Closing Date (defined below) through the date of entry of the Proposed Order (Damage Claim

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Fluid Market Inc. (1365) and Fluid Fleet Services, LLC (5994). The location of the Debtors’ service address is: 3827 Lafayette St., Suite #149, Denver, CO 80205.

Proceeds received by Kingbee during this time frame, the “Window Proceeds”) and (ii) on a monthly basis, all Damage Claim Proceeds received by Kingbee thereafter (Damage Claim Proceeds received by Kingbee during this time frame, the “Future Damage Claim Proceeds”), and (iv) granting related relief. The relief requested in this Motion is supported by the Official Committee of Unsecured Creditors (the “Committee”). In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The United States District Court for the District of Delaware has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the United States Bankruptcy Court for the District of Delaware (the “Court”) under 28 U.S.C. § 157 pursuant to the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are sections 105 and 363 of the Bankruptcy Code and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

I. BACKGROUND

A. General Background

4. On October 16, 2024 (the “Petition Date”), the Debtors commenced these cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors have continued in the possession of their property and have continued to operate and manage their business as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors’ Chapter 11 Cases. On October 28, 2024, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed the Committee.

5. The Debtors operated and managed a technology-based, peer-to-peer truck-sharing platform across the United States with a fleet of nearly 5,500 vehicles owned by their nondebtor affiliates or third-party owners (“FVIPs”) who elected to put their vehicles on the Debtors’ platform, <https://www.fluidtruck.com/>.

6. Faced with severely constrained liquidity, and after multiple failed efforts to raise additional capital or debt financing, the Debtors, in an exercise of their business judgment, commenced these chapter 11 cases with the intention of pursuing a prompt sale of their assets to preserve their business as a going concern and maximize value for all their stakeholders.

7. The factual background regarding the Debtors, including their business and the events precipitating their chapter 11 filings, is set forth in detail in the *Declaration of T. Scott Avila in Support of the Debtors’ Chapter 11 Petitions and First Day Relief* [Docket No. 13].

B. Sale of the Debtors’ Assets and Global Settlement

8. On October 30, 2024, the Debtors filed a motion [Docket No. 74] (the “Sale Motion”) seeking, among other things, entry of an order (the “Sale Order”) approving the proposed sale (the “Sale”) of substantially all of the Debtors’ assets (the “Purchased Assets”) to

Kingbee pursuant to the terms of that certain asset purchase agreement dated as of October 30, 2024 (the “APA”).

9. The Committee filed an objection to the Sale [Docket No. 213] (the “Sale Objection”). The Committee also filed a motion [Docket No. 216] (the “Challenge Motion”) to extend the deadline to challenge the liens of, and claims against, the Debtors’ pre- and postpetition lenders (the “Lenders”). The parties ultimately reached a global agreement to resolve the Committee’s Sale Objection and the Challenge Motion (the “Global Settlement”). The principal terms of the Global Settlement were stated on the record at a hearing on December 13, 2024 (the “Sale Hearing”). *See*, Transcript of Sale Hearing, pages 7-10, attached hereto as **Exhibit B**. Following the Sale Hearing, the Court entered the Sale Order [Docket No. 259] which approved the Sale and the Global Settlement. The Sale closed effective as of December 20, 2024 (the “Closing Date”).

10. Among other things, the Global Settlement (i) excludes from the definition of Purchased Assets certain segregated funds held by the Debtors in the approximate aggregate amount of \$3.9 million relating to (x) vehicle sale proceeds and (y) certain damage or insurance claim proceeds ((x) and (y) collectively, the “Segregated Funds”)², (ii) provides for the Debtors to analyze and reconcile competing interests in the Segregated Funds (the “Reconciliation”), (iii) requires the Debtors to share the Reconciliation with the Committee for comment, (iv) further provides for the Debtors to propose a methodology for the distribution of the Segregated Funds (the “Distribution Methodology”), and (v) requires the Debtors to file this Motion seeking approval of the Reconciliation and Distribution Methodology, provided, however, that the

² The Global Settlement does not affect Kingbee’s right to receive proceeds otherwise included as Purchased Assets.

Debtors are not required to risk administrative insolvency or engage in extensive litigation in prosecuting this Motion.

11. Following the Closing Date of the Sale, the Debtors, with the Committee's support, engaged in discussions with Kingbee regarding an agreement pursuant to which Kingbee would administer the Window Proceeds and Future Damage Claim Proceeds that Kingbee did not purchase under the APA but that Kingbee received and will continue to receive as a result of having obtained possession of the Debtors' accounts and processing and payment systems as part of the Sale. Ultimately, the parties were unable to agree on terms for such an agreement. To the best of the Debtors' knowledge, since the Closing Date, Kingbee has received and is holding approximately \$1.7 million in Window Proceeds which it did not purchase. The Debtors anticipate that Kingbee will continue to receive Future Damage Claim Proceeds that it did not purchase for years to come. Pursuant to Section 8.13 of the APA, Kingbee is obligated to remit the Window Proceeds and Future Damage Claim Proceeds to the Debtors. Prior to filing this Motion, the Debtors advised Kingbee that they intended to file this Motion and requested that Kingbee voluntarily deliver the Window Proceeds to the Debtors on or before June 5, 2025.

Vehicle Sale Proceeds.

12. As of December 30, 2024, the Debtors owed eighty-six (86) vehicle owners, including FVIPs and the Debtors' subsidiary, Carbon Fleet LLC ("Carbon Fleet"), approximately \$8.4 million in proceeds from vehicle sales completed prior to July 15, 2024. The Debtors had not historically followed any documented process to pay vehicle owners upon the sale of their vehicles, and the proceeds received were typically commingled with the Debtors' operating cash. Nor did the Debtors historically track whether sufficient cash was being reserved to cover full remittance of the sale proceeds received. On or about June 20, 2024, the Debtors opened a new

bank account and subsequently transferred \$1.8 million of funds received from the sale of vehicles (the “Vehicle Sale Proceeds”) into that bank account with the intention of eventually using the funds to address the balance owed to vehicle owners. The original lump sum deposited into this account was not directly associated with any specific vehicle sales.

13. On July 23, 2024 and August 1, 2024, the Debtors transferred \$250,000 and \$341,000, respectively, to certain vehicle owners, including Carbon Fleet, for sales that occurred prior to July 23, 2024.

14. The Debtors are currently holding approximately \$1.2 million in Vehicle Sale Proceeds from vehicle auctions completed prior to July 15, 2024. The Debtors believe, based on their books and records, that they have remitted all proceeds they have received from vehicle sales completed on or after July 15, 2024 to their respective vehicle owners, net of applicable fees and reimbursement for out-of-pocket costs.³

15. The Debtors, with the Committee’s support, propose to utilize a “last-in, first-out” Distribution Methodology for the Vehicle Sale Proceeds.⁴ This “LIFO” methodology would prioritize payment of the most recent unpaid Vehicle Sale Proceeds. The Debtors believe this is the most equitable Distribution Methodology. While the Vehicle Sale Proceeds were not directly associated with specific sales when they were deposited into the segregated account, they were the Vehicle Sales Proceeds most recently received and were less likely to have been utilized to pay other expenses.

³ The Debtors have not received all proceeds from sales completed on or after July 15, 2024 as Manheim Remarketing, Inc. is currently holding certain such sale proceeds.

⁴ For the avoidance of doubt, and to the Debtors’ knowledge, based on their review of the books and records available to the Debtors, no vehicle owner has previously received payment on any vehicle sale or insurance/damage claim for which proceeds are to be distributed to such vehicle owner pursuant to the Distribution Methodology.

16. All distributions of Vehicle Sale Proceeds will follow this waterfall Distribution Methodology, cascading through the account balance until the entire balance of the Vehicle Sale Proceeds is depleted, with the final FVIP likely receiving only a portion, if any, of the total amount owed. Attached hereto as **Exhibit C** is a chart detailing the proposed Vehicle Sale Proceeds waterfall and payments.

Segregated Damage Claim Proceeds.

17. The Debtors are currently holding approximately \$2.7 million in proceeds received related to vehicle damage claims (“Segregated Damage Claim Proceeds”). Approximately 92% of the Segregated Damage Claim Proceeds relate to damage claims that occurred or were submitted or created before the Petition Date. Relative to the Petition Date, approximately one-third of the claims related to Segregated Damage Claim Proceeds were created within the prior 6 months, one-third between 7 to 12 months prior, and one-third created more than 12 months prior to the Petition Date.

18. In the ordinary course prior to the Petition Date, the Debtors used the proceeds of damage and insurance claims to fund repairs to damaged vehicles or remitted them to vehicle owners upon disposition of a damaged vehicle if it was not ultimately repaired. Collection on claims can be protracted and highly uncertain, however, and because the Debtors prioritized keeping vehicles on rent or getting them back into service as quickly as possible, the Debtors often funded repairs out of cash on hand, benefitting the vehicle owners at the cost of putting enormous strain on the Debtors’ liquidity. As the Debtors’ liquidity situation deteriorated over the course of 2023 and early 2024, it was increasingly challenging to fund repairs out of the Debtors’ cash on hand. In many cases, vehicles were being held by repair shops and other vendors for non-payment of invoices for completed repairs. When the Debtors’ new

management became aware that some damage and insurance claim proceeds had been received in situations where the vehicle damage had not yet been addressed or repairs had not yet been paid, and that such proceeds were being commingled with operating cash, they began segregating the Segregated Damage Claim Proceeds and continued doing so through the Closing Date.

19. As described above, the Debtors routinely funded repairs of out their operating cash in anticipation of being reimbursed through subsequent receipt of claim proceeds. As such, some of the Segregated Damage Claim Proceeds clearly belong to the Debtors. In cases where damage was not repaired, or vendors were not paid for repairs completed, the Debtors believe it would be appropriate that net proceeds, after fees and expenses, be paid to the respective vehicle owners. The Debtors and the Committee submit that it is appropriate that the Segregated Damage Claim Proceeds be distributed to vehicle owners or the Debtors' estates, as applicable. The Debtors, with the Committee's support, propose the following Distribution Methodology for the distribution of Segregated Damage Claim Proceeds:

Proceeds Allocated to Vehicle Owner:

- All Segregated Damage Claim Proceeds received related to vehicles currently held by vendors.
- All remaining Segregated Damage Claim Proceeds not otherwise attributed to Debtors, as described below.

Proceeds Allocated to Debtors:

- All Segregated Damage Claim Proceeds from damage claims that have no open or cancelled claim issues, i.e., all issues are resolved
- All Segregated Damage Claim Proceeds from total loss claims in excess of the amount that would have been paid out to the vehicle owner under the Debtors' previous normal course practice, defined as:
 - Lesser of (a) claims proceeds received or (b) the Actual Cash Value (ACV) as quantified by third-party insurers or other third-party appraisals;
 - Less a decommissioning fee of \$750 per vehicle and disposition fee if applicable (20% of ACV in excess of Net

Book Value, defined as the Original Purchase Price of the vehicle less 1% monthly depreciation from the Original Purchase Date.)

- All Segregated Damage Claim Proceeds received up to the value of the repairs / service performed, plus, for claims valued at \$1,000 or more, the Debtors' normal course fees for claims processing:
 - Base fee of \$105 per claim; and
 - 18% of gross claim proceeds collected.

20. Attached hereto as **Exhibit D** is a chart detailing the proposed payments of Segregated Damage Claim Proceeds after utilization of the Distribution Methodology.

21. The Debtors, with the support of the Committee, believe the Distribution Methodology for Segregated Damage Claim Proceeds represents a reasonable and fair process for the reconciliation of competing interests and ultimately getting proceeds to vehicle owners where appropriate. The result of the application of the Distribution Methodology distributes approximately 49% and 51% of the \$2.7 million of Segregated Damage Claim Proceeds to the Debtors' estates and to vehicle owners, respectively. The Debtors and Committee propose that the Window Proceeds and Future Damage Claim Proceeds will be distributed in accordance with the Distribution Methodology described above.

22. At the Committee's request, the Debtors will hold any Segregated Funds that under the Distribution Methodology would otherwise be paid over to the Debtors' former majority equity holders or entities controlled by or through them pending a determination by the Debtors or their successors as to whether estate claims or causes of action will be pursued against such entities. The funds will remain segregated pending that determination.

23. The Debtors, or the Debtors' successor, as applicable, will make all distributions of Segregated Funds, Window Proceeds and Future Damage Claim Proceeds to FVIPs via ACH if such ACH information is available, or to the address for each such FVIP set forth in the

Debtors' books and records, provided, however, that the manner of such distributions shall be determined at the discretion of the Debtors. The Debtors propose that to the extent a distribution to an FVIP is returned as undeliverable it shall be held in trust on behalf of such FVIP until the earlier of the date that such undeliverable distribution is claimed by such FVIP and the date ninety (90) days after the date the undeliverable distribution was made. Following the expiration of ninety (90) days after the date the undeliverable distribution was made, the amount of the undeliverable distribution shall revert (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary) to the Debtors' estates automatically and without need for a further order by the Bankruptcy Court.

II. RELIEF REQUESTED

24. By this Motion, the Debtors request the entry of the Proposed Order (i) (a) approving the Debtors' Reconciliation and Distribution Methodology for the distribution of the Segregated Funds, (b) authorizing the Debtors to distribute the Segregated Funds in accordance therewith, (ii) authorizing the Debtors to apply the Distribution Methodology to the Window Proceeds and Future Damage Claim Proceeds and distribute accordingly, (iii) directing Kingbee to deliver (i) to the extent not already done, within five days of entry of the Proposed Order, all Window Proceeds and (ii) on at least a monthly basis, all Future Damage Claim Proceeds received by Kingbee, and (iv) granting related relief.

III. BASIS FOR RELIEF

25. Section 363(b)(1) of the Bankruptcy Code provides, in pertinent part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate" 11 U.S.C. § 363(b)(1). Courts interpreting section 363(b) have held that transactions should be approved pursuant to this provision when, as here, a "sound business purpose" exists to justify the transaction. *See, e.g., Dai-Ichi Kangyo Bank, Ltd. v.*

Montgomery Ward Holding Co. (In re Montgomery Ward Holding Co.), 242 B.R. 147, 153 (D. Del. 1999) (“In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions.”); *In re Del. & Hudson R.R. Co.*, 124 B.R. 169, 176 (D. Del. 1991) (courts have applied the “sound business purpose” test to evaluate motions brought pursuant to section 363(b)); *see also Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (“Indeed, under normal circumstances the court would defer to the trustee’s judgment so long as there is a legitimate business justification.”). “In evaluating whether a sound business purpose justifies the use, sale or lease of property under Section 363(b), courts consider a variety of factors, which essentially represent a ‘business judgment test.’” *Montgomery Ward*, 242 B.R. at 153.

26. Once the Debtors articulate a valid business justification, “[t]he business judgment rule ‘is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action was in the best interests of the company.’” *In re S.N.A. Nut Co.*, 186 B.R. 98, 102 (Bankr. N.D. Ill 1995) (citations omitted); *In re Filene’s Basement, LLC*, 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) (“If a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best interests of the estate”) (citations omitted); *Integrated Res.*, 147 B.R. at 656; *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“a presumption of reasonableness attaches to a debtor’s management decisions.”).

27. The Debtors submit that the Reconciliation and Distribution Methodology are justified by a sound business purpose and constitute a sound exercise of the Debtors’ business judgment. *First*, the Debtors are required pursuant to the Global Settlement to complete the

Reconciliation and Distribution Methodology. *Second*, the Reconciliation and Distribution Methodology provide a mechanism for the Debtors to reconcile potential competing ownership claims to the Segregated Funds and to promptly distribute the Segregated Funds to the owners thereof. *Third*, the Distribution Methodology provides a clear path for the distribution of Future Damage Claim Proceeds. *Finally*, the Reconciliation and Distribution Methodology will reduce claims and litigation against the Debtors' estates.

28. The Court may also grant the relief requested herein pursuant to its inherent equitable powers. Bankruptcy Code section 105(a) provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). It is generally recognized that "[s]ection 105(a) authorizes the bankruptcy court, or the district court sitting in bankruptcy, to fashion such orders as are required to further the substantive provisions of the Code." See *In re Morristown & E. R. Co.*, 885 F.2d 98, 100 (3d Cir. 1989) (citing COLLIER ON BANKRUPTCY, ¶ 105.04 at 105-15 & n.5 (15th rev. ed. 1989)).

29. The relief requested herein is necessary to the Debtors' ability to efficiently and effectively administer these cases and approval is an appropriate use of the Court's section 105(a) powers. The Reconciliation and the Distribution Methodology work together to implement the Global Settlement approved by the Court. They provide a mechanism for the equitable distribution of Vehicle Sale Proceeds to vehicle owners. Moreover, the Distribution Methodology with respect to Segregated Damage Claim Proceeds, the Window Proceeds and the Future Damage Claim Proceeds, represents a fair and equitable means to distribute funds in the Debtors' hands, or received going forward, to vehicle owners or the Debtors and their estates, as

appropriate, in light of the characteristics of the particular damage claim involved, the proceeds received, and the Debtors' normal course of business practices.

30. As noted above, the Debtors have requested that Kingbee deliver the Window Proceeds to the Debtors' estates on or before June 5, 2025. In addition, Kingbee will continue to receive Future Damage Claim Proceeds which they did not purchase. Under the APA, Kingbee is obligated to deliver to the Debtors any accounts receivable or other assets with respect to excluded assets received by Kingbee.⁵ The Court can order Kingbee to deliver the Window Proceeds (to the extent Kingbee has not already voluntarily delivered them) and Future Damage Claim Proceeds to the Debtors to ensure compliance with the Sale Order.

31. It is well-settled that a "Bankruptcy Court plainly ha[s] jurisdiction to interpret and enforce its own prior orders." *Travelers Indem. Co. v. Bailey*, 557 U.S. 137, 151 (2009). Moreover, section 105(a) of the Bankruptcy Code "gives the bankruptcy court the power and the jurisdiction to enforce its valid orders." *In re Marcus Hook Dev. Park, Inc.*, 923 F.2d 261, 266 (3d Cir. 1991) (internal quotation omitted). *See also In re McLean Indus.*, 68 B.R. 690, 695 (Bankr. S.D.N.Y. 1986) ("All courts [] have inherent contempt power to enforce compliance with their lawful orders. The duty of any court to hear and resolve legal disputes carries with it the power to enforce the order.").

32. Pursuant to Bankruptcy Rule 6004(h), the Debtors seek a waiver of any stay of the effectiveness of the Proposed Order approving the relief sought in this Motion. Bankruptcy Rule 6004(h) provides that "[u]nless the court orders otherwise, an order authorizing the use, sale, or lease of property (other than cash collateral) is stayed for 14 days after the order is entered." As set forth above, the relief requested herein is necessary and appropriate to

⁵ See APA Section 8.13.

maximize the value of the Debtors' estates for the benefit of their economic stakeholders.

Accordingly, the Debtors submit that ample cause exists to justify the waiver of the 14-day stay imposed by Bankruptcy Rules 6004(h), to the extent that such Rule applies.

33. Accordingly, for all the reasons set forth herein, the Debtors request that the Court enter the Proposed Order (i) approving the Reconciliation and Distribution Methodology, (ii) authorizing the Debtors to immediately distribute the Segregated Funds in accordance therewith, (iii) directing Kingbee to deliver to the Debtors, within five days of entry of the Proposed Order, all Window Proceeds, and on at least a monthly basis thereafter, all Future Damage Claim Proceeds received by Kingbee, and (iv) authorizing the Debtors to distribute Future Damage Claim Proceeds in accordance with the Distribution Methodology, and (v) granting related relief.

NOTICE

34. The Debtors will provide notice of this Motion to: (i) the U.S. Trustee; (ii) the Committee; (iii) the Lenders; (iv) Kingbee; (v) FVIPs; and (vi) any party that requested service pursuant to Bankruptcy Rule 2002.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (i) enter the Proposed Order granting the relief requested herein and (ii) grant such other and further relief as may be just and proper under the circumstances.

Dated: May 29, 2025

PACHULSKI STANG ZIEHL & JONES LLP

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EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FLUID MARKET, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 24-12363 (CTG)
)
) (Jointly Administered)
)

Ref. Docket No. _____

ORDER GRANTING DEBTORS' MOTION FOR (I) (A) APPROVAL OF RECONCILIATION AND DISTRIBUTION METHODOLOGY FOR SEGREGATED FUNDS AND (B) AUTHORIZATION TO DISTRIBUTE SEGREGATED FUNDS, (II) AUTHORIZATION TO APPLY DISTRIBUTION METHODOLOGY TO FUTURE PROCEEDS, (III) DELIVERY OF WINDOW PROCEEDS AND FUTURE DAMAGE CLAIM PROCEEDS, AND (IV) RELATED RELIEF

Upon the Debtors' Motion for (I) (A) Approval of Reconciliation and Distribution Methodology for Segregated Funds, and (B) Authorization to Distribute Segregated Funds, (II) Authorization to Apply Distribution Methodology to Future Proceeds, (III) Delivery of Window Proceeds and Future Damage Claim Proceeds, and (IV) Related Relief (the "Motion")² filed by the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") seeking the entry of an order, pursuant to sections 105(a) and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code") and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (i) approving the Debtors' reconciliation and distribution methodology related to certain segregated funds, and (ii) granting related relief; and this Court having found that it has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Fluid Market Inc. (1365) and Fluid Fleet Services, LLC (5994). The location of the Debtors' service address is: 3827 Lafayette St., Suite #149, Denver, CO 80205.

² Capitalized terms used, but not otherwise defined herein, have the meaning given to them in the Motion.

and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and it appearing that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and this Court having found and determined that the relief sought in the Motion is in the best interest of the Debtors and their estates; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtors' Reconciliation and Distribution Methodology for distribution of the Segregated Funds is hereby approved.
3. The Debtors are authorized and directed to immediately distribute the Vehicle Sale Proceeds in accordance with the Distribution Methodology set forth in Exhibit C attached to the Motion.
4. The Debtors are authorized and directed to immediately distribute the Segregated Damage Claim Proceeds in accordance with the Distribution Methodology set forth in Exhibit D attached to the Motion.
5. The Debtors shall hold any Segregated Funds that under the Distribution Methodology would otherwise be paid over to the Debtors' former majority equity holders or

entities controlled by or through them pending a determination as to whether estate claims or causes of action will be pursued against such entities.

6. The Distribution Methodology shall apply to Window Proceeds and Future Damage Claim Proceeds and the Debtors are authorized to distribute, promptly following receipt thereof, the Window Proceeds and Future Damage Claim Proceeds.

7. To the extent a distribution to an FVIP is returned as undeliverable it shall be held in trust on behalf of such FVIP until the earlier of the date that such undeliverable distribution is claimed by such FVIP and the date ninety (90) days after the date the undeliverable distribution was made. Following the expiration of ninety (90) days after the date the undeliverable distribution was made, the amount of the undeliverable distribution shall revert (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary) to the Debtors' estates automatically and without need for a further order by the Bankruptcy Court.

8. Kingbee shall, (i) within five days of entry of this Order, turnover to the Debtors all Window Proceeds, and (ii) thereafter on at least a monthly basis, remit all Damage Claim Proceeds received to the Debtors or their successors, as applicable.

9. This Order shall be binding and enforceable against the Debtors and each of their respective successors and assigns, including, without limitation, any trustee or examiner appointed under section 1104 in these cases, a trustee appointed in these cases converted to a chapter 7 case, or any trustee, fiduciary, or administrator of a liquidating trust established pursuant to a confirmed chapter 11 plan of reorganization in these cases.

10. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective immediately and enforceable upon its entry.

11. The Debtors are authorized to execute and deliver all documents and take all necessary actions in connection therewith.

12. The Court shall retain jurisdiction and power over any and all matters arising from or related to the interpretation or implementation of this Order.

EXHIBIT B

1 in discussions with respect to the Oracle contracts. While
2 they continue those discussions a Paragraph has been added to
3 the sale order preserving Oracle's rights and the issues
4 raised in its limited objection. Your Honor, we did email to
5 the Court a revised form of sale order, redline sale order.

6 We will have now a further revision to it based on
7 the resolution with the committee, which I am going to get to
8 now, and we would like to incorporate just a short paragraph
9 in the form of order that will, basically, cross-reference
10 what is stated on the record and not go through the specific
11 terms in the order itself. It will just cross-reference the
12 record.

13 So, Your Honor, getting to that committee
14 resolution the principle points, the debtors have agreed that
15 approximately \$1.2 million of vehicle sale proceeds, which
16 are currently segregated by the debtors, will not be part of
17 the purchased assets that are to be conveyed, will be
18 retained by the debtors estates. And it is the debtors
19 belief that virtually all of those segregated funds
20 constitute money of vehicle owners, whether that be what we
21 call FVIP's or Carbon Fleet. That is the first point, Your
22 Honor.

23 Second point, approximately \$1.8 million of damage
24 claim proceeds or insurance claim proceeds associated with
25 vehicles is also in a segregated account and the debtors have

1 agreed, along with the buyer, that those segregated funds are
2 not going to be included in the purchased assets and a
3 substantial portion of those funds, the debtors believe, also
4 belong to various vehicle owners but there also might be a
5 portion of those funds which are due to the estate.

6 That gets me to the third point, Your Honor, which
7 is that the debtors will do further analysis with respect to
8 both of these funds, further reconciliation to determine who
9 are the proper owners of those funds, whether it's the
10 owners, who the individual owners are, or the debtors estate.
11 That reconciliation will be provided to the committee for
12 comment.

13 The debtors will then file further pleadings, as
14 necessary, to reflect that analysis, with the committee
15 support, on a shortened basis. And the debtors will exercise
16 commercially reasonable good faith efforts upon completion of
17 the reconciliation to obtain Court approval of any such
18 motion prior to the conversion of these cases. The debtors
19 shall not be obligated to engage in extensive litigation or
20 to risk administrative insolvency in connection with
21 prosecuting such motion.

22 Are you caught up with me, Your Honor?

23 THE COURT: Almost. I get the concept. You can
24 proceed.

25 MR. LITVAK: Point number four, Your Honor, is

1 that the committee fees that were previously budgeted will be
2 increased by the sum of \$275,000 which shall be paid \$100,000
3 with an additional advance by the DIP lenders under the
4 existing DIP facility which incidentally, Your Honor, has a
5 cap which has been reached of \$7 million. So, we would be
6 asking the Court by oral motion today, now, to increase that
7 cap by \$100,000. The remaining \$175,000 would be paid in
8 cash at closing by the DIP lenders but excluding Kingbee,
9 which is also the purchaser but also a participant in the
10 DIP, with respect to that last \$175,000 which would be made
11 as a cash contribution and not a loan. So, we don't need to
12 increase the DIP for that.

13 Point number give, Your Honor, relates to
14 avoidance actions. Avoidance actions against non-insiders
15 will be sold, will constitute purchased assets, and then will
16 be released by the buyer provided that Manheim and any
17 insiders, any avoidance actions against those parties will
18 not be purchased assets and will be retained by the estates.
19 The committee and the debtors will consult on other potential
20 avoidance claims that should be retained by the estates by
21 the date of the closing.

22 Point six, Your Honor, the -- as I mentioned
23 earlier, the challenge extension motion would be deemed
24 resolved or withdrawn. The challenge period would expire --
25 the challenge period, as defined in the final DIP order,

1 would expire upon entry of the sale order.

2 Point number seven, the debtors and Kingbee will
3 enter into a transition services agreement, which will be the
4 subject of a separate motion to be filed on shortened time
5 with the committees support which will contemplate, among
6 other things, stay relief as to FVIP's to allow -- this is
7 non-participating FVIP's. FVIP's that do not sign a contract
8 with the buyer, new contract with the buyer, they will be
9 granted stay relief to retrieve their vehicles as they become
10 available, as they come off lease, etc. The TSA shall be
11 cost neutral from the estates perspective and Kingbee shall
12 charge the same fees of vehicle owners as the debtors would
13 have otherwise charged those owners under their existing
14 agreements.

15 Point eight, Your Honor, and the last point that I
16 have, is that Kingbee, the buyer, will provide non-insider,
17 non-participating FVIP/vehicle owners with location
18 information, vendor information if, for instance their
19 vehicles are with repair shops, and claim info relating to
20 their vehicles.

21 That, Your Honor, would be the resolution with the
22 committee.

23 THE COURT: Okay.

24 MR. LITVAK: I can keep going or --

25 THE COURT: So, I understand what you just said.

EXHIBIT C

Fluid Truck*Proposed Distribution of Segregated Vehicle Sale by FVIP*

FVIP	# of Vehicles	Proposed Distribution (\$)
Carbon Fleet LLC	18	497,871.37
Tetta LLC	1	26,398.00
Broken Mirror LLC	2	42,276.00
Easy Haul, LLC	1	15,972.00
MBB Group LLC - Jefferson Bank	1	14,693.00
1440 Zenobia LLC	2	2,617.56
Blue Mile Logistics, LLC	2	42,946.00
FCP Transport LLC	3	66,709.00
Always Funday	8	220,684.01
Z3 Transportation	1	20,673.00
Shida Mbaya LLC	1	19,343.00
Dog Transport LLC	1	27,155.00
Inspired Investment Opportunities LLC	1	17,698.00
Apex Investors, LLC	1	15,273.00
Colorado Liquor Mart, Inc.	2	14,737.52
Pintler Logistics Inc	1	22,298.00
Double J Leasing LLC	2	7,404.55
Kerman Management, LLC	1	24,298.00
M3 LEASING LLC	1	7,387.56
* FMCO LLC	3	59,056.00
Auto Adventure LLC	1	16,608.00
SA Transport LLC	1	27,698.00
Ladd Ventures	1	4,757.84
Urban Interests LLC	1	1,626.08
TGS2R LLC	1	1,545.01
Lamric LLC	1	8,743.48
Highlands Wine and Liquor Store, LLC	1	9,441.69
Total	60	1,235,910.67

EXHIBIT D

Fluid Truck*Proposed Distribution of Segregated Vehicle Claim Funds by FVIP and Claim*

FVIP	# of Claims	Proposed Distribution (\$)
Carbon Fleet LLC	273	\$ 404,896.39
Kerman Management, LLC	70	83,727.28
* FMCO LLC	35	80,840.08
Merchants Fleet	43	55,995.66
Farasi Collective	3	45,872.05
* BeneVans LLC	1	32,709.86
Tiny Rick Trucking	2	30,222.61
Vango LLC	3	29,366.84
BJ Shultz Investments LLC	6	28,870.75
Burrwood Logistics LLC	19	25,063.41
Broken Mirror LLC	12	24,415.02
FTC Funds LLC	12	21,977.18
LMS Transportation LLC	3	20,301.77
No Mondays LLC	18	18,734.55
SA Transport LLC	14	18,034.91
1440 Zenobia LLC	12	17,641.30
FCP Transport LLC	17	17,404.23
Blue Mile Logistics, LLC	7	14,820.94
CRBZ LLC	10	13,552.69
M2 Services II LLC	10	12,888.12
PL Properties, LLC	2	12,607.09
Pug Dog Investments	10	12,073.47
CNS Holdings LLC	4	10,943.24
Cina Global, LLC	5	10,867.24
Andy's Vans LLC	7	10,377.88
MSC Van LLC - Jefferson Bank	4	10,061.04
DTH Fleet Holdings LLC	6	9,002.81
McIver Truck Rentals, LLC	2	8,981.09
Dog Transport LLC	7	8,217.96
JWO LLC	7	8,038.58
Tatoosh Transport LLC - Jefferson Bank	5	7,843.41
Bluebonnet Investment Holding Company LLC	4	5,812.73
S & M Vans, LLC	5	5,520.90
JDK Delivery LLC	3	5,150.56
H & L Legacy, LLC	4	5,061.12
FOCO Dodge	4	5,036.53
Truck Resource Direct	3	5,024.70
BLAZER BLUE ENTERPRISES LLC	3	4,954.51
Barbed Wire Group LLC	5	4,776.45
MJH Trucking LLC	3	4,532.79
Ritter Transportation Investments LLC	4	4,400.16

Fluid Truck*Proposed Distribution of Segregated Vehicle Claim Funds by FVIP and Claim*

FVIP	# of Claims	Proposed Distribution (\$)
3091 31U Road, LLC	3	4,331.91
Bindl LLC	1	4,202.14
Malmbronn Trucking LLC	4	3,926.38
Pivot Bridge LLC	3	3,910.08
Lighthouse Restoration LLC	1	3,904.00
Barbed Wire Group, LLC	2	3,893.85
Arbor Drive LLC	2	3,861.80
Woodson Enterprises	1	3,764.68
Red Brick Enterprises LLC	2	3,726.08
NCO Real Estate CO	1	3,654.51
FA & FO Fleet LLC	4	3,579.40
What the Truck LLC	3	3,532.52
CH Investment LLC- Jefferson Bank	1	3,484.19
Ibom Investments LLC	2	3,447.75
Liquid Baron LLC	3	3,308.87
* FMCO-RS	2	3,256.55
10560 Holdings LLC	3	3,221.72
Tate Vehicle Rentals LLC	1	3,198.35
Stella Fleet LLC	2	3,142.49
Hawthorn, LLC	2	3,069.80
Sound Machine LLC	3	2,895.76
Akiame LLC	2	2,827.75
AJ Fleet	1	2,810.10
Auto Adventure LLC	3	2,808.73
Rocco Trucking	1	2,807.12
JSARE LLC	2	2,684.68
Van Go, LLC	1	2,661.98
Sternfit LLC	5	2,644.19
TYNER AND KREBS ASSOCIATES LLC	1	2,585.55
M2 Services LLC	2	2,560.31
Cynergy Logistics	1	2,537.12
CH Investments LLC	5	2,535.86
Upham Truck, LLC	1	2,528.93
Smidt FT Investment LLC	2	2,524.86
Kerman Vehicles Oregon, LLC	2	2,427.55
GROUND UP INVESTMENTS LLC	1	2,294.43
Burrwood Logistics Oregon, LLC	4	2,286.80
Ash & Alder LLC	2	2,254.94
Chickenwhiskey Logistics, LLC	1	2,223.38
Julian Investments LLC - Jefferson Bank	1	2,185.45
MakRil LLC	1	2,168.55

Fluid Truck*Proposed Distribution of Segregated Vehicle Claim Funds by FVIP and Claim*

FVIP	# of Claims	Proposed Distribution (\$)
Tetta LLC	1	2,131.73
FSS Logistic Group Investments LLC	2	2,080.78
Icejamma Exgellin LLC	1	2,076.32
NOCO Vans LLC	2	2,052.88
Krebs Properties LLC	1	1,966.75
Whistle Pig Ventures 1 LLC	2	1,873.44
Premier Palm Ventures LLC	2	1,871.26
Steph LLC	3	1,729.22
Telecommunication Devices Inc	1	1,705.78
MSC Vans LLC	3	1,700.63
Roadrunner Enterprises	2	1,700.53
Double J Leasing LLC	1	1,673.77
Pintler Logistics Inc	2	1,645.77
Urban Interests	1	1,625.05
Riceball, LLC	1	1,606.54
CHUMMAR LOGISTICS LLC	1	1,592.40
Shultz Squared LLC	1	1,592.40
Mater Trucking, LLC	2	1,584.59
COR Ventures, LLC	1	1,552.38
* FMCO LLC - Jefferson Bank	1	1,455.84
Delenwerks LLC	2	1,383.20
MBB Group LLC - Jefferson Bank	1	1,329.61
Urban Interests LLC	1	1,314.98
Global North Inc	1	1,266.87
Barry Goettemoeller LLC	2	1,237.12
Jonoco Truck Rentals LLC	3	1,212.84
AK Enterprises LLC	1	1,182.70
PnR LLC	1	1,153.98
Forward Momentum Solutions, LLC	1	1,146.66
QEB MOVING LLC	1	1,104.42
Vandar LLC	3	1,082.97
Northern Vehicle Rentals	2	1,066.26
JRGS Investments, LLC	2	1,038.55
JLB7 Trucking, LLC	1	1,019.41
Z3 Transportation	1	1,000.00
Wintage LLC	1	930.34
Harber Home Group	1	923.53
D&S Property Management LLC	1	906.60
Edison Coil Fund II, LLC	3	885.10
TSLA, LLC	1	833.97
Phlucks	1	817.74

Fluid Truck*Proposed Distribution of Segregated Vehicle Claim Funds by FVIP and Claim*

FVIP	# of Claims	Proposed Distribution (\$)
* Benetrucks LLC	1	816.74
Helwig Van Rentals LLC	1	808.88
Castello Brown	1	805.68
Sopris CT LLC	2	782.30
Edison Coil Fund I, LLC	1	743.31
Fox Den Rentals, LLC	1	619.35
Dooley & Associates LLC	1	596.32
Vineyard Views LLC	1	561.89
Sharp Investments, LLC	1	551.59
Gratitude Investments LLC	1	541.92
KG Rentals LLC	1	532.62
TAG Capital Consulting LLC	1	528.61
JARDE, LLC	1	517.50
FVKC Ventures LLC	1	500.00
jayone consulting llc	1	478.14
Johnston Family Ventures	1	449.22
The Bluth Company	2	414.00
Malnar Properties, LLC	1	399.03
Ronto Creative llc	1	398.50
AFCanuck1, LLC	2	381.16
KMBARON Consulting LLC	1	369.36
JAG Trucks LLC	1	352.73
Dan T. Stevens Agencies Inc.	1	288.44
ROC Pile LLC	1	267.89
Diamond Lease and Finance	1	258.75
Luxe Event Entertainment LLC	1	192.21
TTTT LLC	1	155.25
Park ave enterprise llc	1	150.00
Team Shida LLC	1	133.36
244 LEASING LLC	1	118.47
M3 LEASING LLC	1	98.54
Inspired Investment Opportunities LLC	1	95.67
LoboHokie LLC.	1	90.25
DOD Fleet, LLC - Jefferson Bank	1	89.89
R&R NOCO LLC	1	62.82
Nasturtium	1	19.00
FVIP Subtotal		1,354,515.26
Debtor Attributed Funds Subtotal		1,318,144.44
Total		\$ 2,672,659.70

* Entities controlled by Debtors' former majority equity holders