

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

In re:

One Fat Frog, Incorporated,
Debtor.

Case No.: 6:24-bk-02620-LVV

Chapter 11, Subchapter V

THIRD STATUS REPORT OF SPECIAL COUNSEL TO TRUSTEE-IN-POSSESSION

I am Andrew J. Wit of law firm Jennis Morse and I am the attorney that has been hired by L. Todd Budgen, the Trustee-in-Possession as his special counsel. This document is intended to share the status of the investigation and pursuit of claims that would recover funds and provide a distribution to creditors of One Fat Frog, Incorporated (“One Fat Frog”).

This is the third status report I have filed in this case. For a description of my role in the case and my investigation, please review my previous status reports which can be viewed at <https://www.flmb.uscourts.gov/trustees/notice.htm>. My first status report was filed on November 20, 2024 and was attached to the Trustee in Possession’s Status Report (Doc. 235). My second status report was filed on May 7, 2025 (Doc. 319).

Recovery of Assets

I am happy to report that the estate has received the first recovery since I was retained as special counsel. Specifically, the estate has recovered funds from PayArc, LLC in the amount of \$32,389.57 following a final judgment in the adversary proceeding seeking recovery of those funds. I was able to recover these funds without seeking to enforce the judgment in PayArc’s home state of Connecticut, which minimized the amount of fees and costs incurred to recover those funds. While this amount is small in comparison to the losses

suffered by customers of One Fat Frog, it is just the beginning and I am optimistic that additional recoveries will be made as quickly as possible.

***Status of Investigation into Assets to Recover
and Claims to Assert on Behalf of the Estate***

Since my last status report, I have continued my investigation into avoidable transfers and other causes of action. While I previously reported that I completed my avoidable transfer analysis, I was able to uncover additional transfers that may be recoverable beyond the two years before the Petition Date and, as a result, I expanded the scope of my avoidable transfer analysis to the beginning of 2020. I have reviewed bank statements beyond four years prior to the Petition Date to determine every potential avoidable transfer that can be recovered on behalf of the estate. This expanded investigation has revealed potentially avoidable transfers well beyond the previous estimate of \$2 million than I previously reported.

I have also identified significant payments to insiders of One Fat Frog within the year preceding the Petition date that exceed \$500,000.

I am also investigating potential avenues to increase the percentage of recovery for any of the customers who were damaged by the demise of One Fat Frog. For example, when a creditor engages in inequitable conduct, there are certain circumstances in which that party cannot be paid from funds held by the bankruptcy estate until parties with a higher priority are paid. Because there are a significant amount of parties that are currently have the same priority of payment as former customers of One Fat Frog, reducing the amount of claims that are paid at that priority level would result in more funds going to those customers who were damaged by the failure One Fat Frog. I will pursue all applicable remedies available under the Bankruptcy Code to ensure that the customers who lost deposits or were legitimately

damaged by One Fat Frog—and not the parties who contributed to One Fat Frog’s downfall—receive the largest possible portion of any funds recovered.

What to Expect Going Forward

Going forward, you can expect to see a significant amount of litigation to assert various claims, all of which are either seeking to bring money into the bankruptcy estate, or maximize the percentage of recoveries that will be paid to those that were legitimately harmed by One Fat Frog.

While litigation can take time, I will make every effort to expeditiously resolve claims to bring funds into the bankruptcy estate. Nevertheless, my job is to maximize the funds that are recovered by the bankruptcy estate and eventually paid to creditors. Accordingly, I will not seek to resolve claims that I believe are valuable for a low amount just for the sake of a quick recovery. I want to ensure that every dollar that could possibly be recovered is obtained and will only compromise when the expenses to recover additional funds exceed the amount of recovery that is available.

I will continue to diligently assess all available avenues for recovery to maximize the funds available to distribute to creditors of One Fat Frog.

Respectfully submitted,

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*Special Counsel to L. Todd Budgen as
Trustee in Possession*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on July 22, 2025, a true copy of the foregoing has been filed with the Court's CM/ECF system and served on parties receiving electronic service in the ordinary course.

/s/ Andrew J. Wit

Andrew J. Wit