

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

TRUSTEE IN POSSESSION'S STATUS REPORT

Also available at OneFatFrogbk.com

The Debtor, One Fat Frog, Incorporation, by and through the Trustee-in-Possession, L. Todd Budgen (hereinafter the “undersigned” or the “TIP”), hereby files this status report and states as follows:

Background

1. L. Todd Budgen is the duly appointed, qualified and acting Subchapter v Trustee of the above styled bankruptcy estate. The Debtor’s Chapter 11, Subchapter v bankruptcy petition was filed on May 24, 2024. This honorable court entered an order on July 12, 2024 transferring the control and management of the Debtor to the Subchapter V Trustee herein (Doc. No. 71.). The Court further requested the Trustee to evaluate the Debtor’s options for financing, auctioning, or sale of the Debtor to potential buyers and provide a report to the Court.
2. The undersigned now provides the following as a status report.

Time Expended

The undersigned and his staff has expended an inordinate amount of time on site at the Debtor’s warehouse, handling the separation and return of third-party property, including former customer property and vehicles, as well as third party financed

equipment. Communication was made with every single party asserting an interest in any property, including review of documentation, receipts, titles, etc. Numerous claims were made for property that was instead property of the estate and properly sold at auction. An exhaustive determination was carefully undertaken to make sure only the proper items made it into the over 1000 pallets / lots of items sold at auction. Roughly 400 hours was expended, excluding the auctioneer's staff time.

Efforts regarding the auction and clearing the warehouse continued until two days ago. The undersigned now expects, in the next week, to be able to pivot attention to housekeeping and docket items.

Website: OneFatFrogbk.com

The undersigned has launched a website at **OneFatFrogbk.com**. The undersigned expects the website to be complete on or before this Monday, November 25, 2024. The website will contain the undersigned's updates as filed with the court, helpful links, important orders like the order extending the proof of claim deadline, information about the progression of the case, etc.

Warehouse and facility

Possession of the warehouse was delivered to the Debtor's landlord, Aalbert's Integrated Piping (hereinafter "Landlord", See POC No. 212) this past Monday, November 18, 2024. Power will be removed from the undersigned's account on or before tomorrow, Thursday, November 21st, 2024.

Cleaning of the warehouse remains on-going. The Landlord and the undersigned have agreed to hire a rigging company, All Pro Rigging ("All Pro"), pursuant to the following terms:

- The cost of debris removal is expected to be at or around \$10,000.00, including an estimated 6 or more roll of dumpsters of trash removal
- The undersigned will pay the first \$5000.00 of costs, as agreed upon by the U.S. Trustee.
- The undersigned began contacting each generator / third party property and vehicle owner in August using the last available contact information from the Debtor. After three months and five onsite days for pick up, about 28 third party generators remain on-site. All third-party property is now considered abandoned and unlawfully on site at this time.
- All Pro will remove and store the generators and its facility in Daytona Beach. For a limited time, 2 weeks or so, there will be no storage fees. After that time storage fees will be imposed against the return of the equipment. At some point, several weeks later, the equipment will be forfeited and sold. All Pro's information has been added to the Order extending the Claims deadline, being mailed to the entire matrix and all email addresses on file with the undersigned.
- Photos of the remaining debris are attached to the end of this report.



The warehouse space on Friday, November 15, 2024

Return of Third-Party Property

- The undersigned held five on-site return dates to date. About 35 generators were returned to their owners, as well as a handful of trailers and a handful of vehicles, smokers, TV's, etc. The undersigned and his staff coordinated communications with former customers, and handled the return of equipment and coordinated auction efforts, including identifying third party property and property secured by third-party creditors.

Auction update

- The auction has concluded, and the final pickup was on Friday November 15, 2024.

- The auction proceeds are broken out as follows:

Total Gross Auction Proceeds	\$ 772,620.00	
Less Appraisal		\$ 5,000.00
Less Expenses		\$ 40,000.00
Total Net Proceeds	\$ 727,620.00	
Holdback		\$ 10,000.00*
Distribution to undersigned Acct 11/15	\$ 717,620.00	

- There were 280 auction participants purchasing 1077 lots.
- Advertisement and notices were run in the following publications:

Description
Industrial Marketplace
e-Blast to 55,000+ Subscribers
online auction listing & listing in weekly auction calendar e-blast
Industrial Machine Trader
e-Blast to 40,000+ subscribers
ad in digital weekly magazine
Food Service Equipment & Supplies
Text ad in weekly newsletter 20,000 subscribers
Total Food Service
e-blast to 86,962 subscribers
banner in weekly newsletter, 86,962 subscribers & online
Surplus Record
e-Blast to 20,000 targeted subscribers including CNC Machine Shops, Food Truck Manufacturers, Commercial Kitchen Equipment Suppliers, etc.
3rd Party SIC e-blast
e-Blast to 25,000 targeted subscribers (see SIC's below)

SIC #3599-03 - Machine Shops, National, 10+ employees
 SIC #3721 - Aircraft/Aerospace Manufacturers
 SIC #3537 - Industrial Truck Manufacturers
 SIC #3465 - Automotive Manufacturers
 SIC #3841 - Surgical & Medical Equipment Manufacturers
 SIC #5046-03 - Commercial Cooking & Food Service Equipment Dealers
 SIC #5084-05 - Metalworking & Machine Tool Equipment Dealers

- A surcharge of 10% has been requested by separate motion.

New Action Items and Assets

- The undersigned will request additional hearing time in early December 2024 for consideration of the following:
 - o Employee Retention Credit (ERC). The Debtor is due a \$600,000.00 ERC.

The undersigned is not certain to whom or to where the credit has been or will be mailed. The undersigned is filing three motions to handle this: 1) A

Motion to redirect the ERC; 2) A Motion to compel the IRS to determine the sums due; and, 3) an application to employee accountant Emerson Noble.

- The undersigned will be rejecting leases for all returned items, including the warehouse, several Toyota lifts and two Penske trucks.
- The undersigned separately is filing a Notice of Sale for a Ford F350 dually being coordinate by Mr. Robert Ewald, previously discussed at a prior hearing.

Litigation and Asset Recovery

- The undersigned has begun the litigation phase of this case.
- Actions for preferences (money levied, taken from or paid by the Debtor toward old debts, near or at the time of filing) are expected in December. These will be filed by the undersigned.
- The undersigned has now met by phone or in-person with the Florida Attorney General's office five times. An on-going exchange of information continues to exist.
- The undersigned continues his own independent investigation of the recent facts leading to the demise of One Fat Frog. The undersigned has learned actionable information and targets from this investigation. That information has been turned over to the undersigned's special counsel.
- An update from Special Counsel is attached separately to this document.

Dated this 20th day of November, 2024.

/s/ L. Todd Budgen

L. TODD BUDGEN

Chapter 11, Subchapter v Trustee

P.O. Box 520546

Longwood, Florida 32752

Telephone: (407) 481-2888

Todd@C11Trustee.com

Florida Bar No: 296960

**Update on Litigation and Recovery of Assets
from Special Counsel to the Trustee-in-Possession**

I am Andrew J. Wit of law firm Jennis Morse and I am the attorney that has been hired by Todd Budgen, the Trustee-in-Possession as his special counsel. Because this is my first status update in this case, I will explain my role in this case to you and. The simplest explanation of what I am hired to do is to investigate and pursue all claims against third parties (other people and companies) to bring money into the estate so that One Fat Frog's creditors can receive as much of the amount they are owed back as possible.

Before initiating any litigation to recover assets, we must conduct a thorough investigation so that we have a sufficient legal basis to pursue the claims against the bad actors that contributed to One Fat Frog's financial demise. The most common types of claims pursued by a special counsel in my position in a bankruptcy case are what are actions to recover what are called "avoidable transfers." Both bankruptcy law and state law provide a legal basis to avoid (make it as if the transfer never occurred) and recover avoidable transfers of assets belonging to One Fat Frog within certain time periods before the bankruptcy case was filed.

Following the Court's approval of my employment as special counsel, we continued our investigation of the assets and affairs of the Debtor and its principal both before and after the Petition Date. This allows us to develop a strategy for our investigation and to plan the most cost-effective approach to obtaining the information required to commence litigation against third parties. Below is the summary of the next steps we will be taking to complete our investigation and identify claims to pursue. Please understand that the planned dates of completion below are merely estimates, and the actual time is based on cooperation from the parties from whom we are seeking information.

Action Items	Planned Date of Completion
First Set of Document Requests Pursuant to Rule 2004 of the Bankruptcy Rules	Beginning on November 20, 2024
First Rule 2004 Examination of Parties with knowledge of the Debtor's Assets and Affairs	January 10, 2024
First wave of Demand Letters sent regarding preferential transfers and other avoidable transfers identified from initial investigation.	December 20, 2024
First Adversary Proceedings Commenced to Recover Assets for the Estate (with a focus on claims for preferential transfers or assets at risk of depletion)	January 31, 2024

Please know that my team and I are working as expeditiously as possible to analyze the large amount of information present in this case and identify every avenue that could possibly increase the amount of funds available to make payments to creditors.

Photos of Debris remaining as of Friday, November 15, 2024



