

justified in very limited circumstances.⁴ Those circumstances are clearly not present in this case, and the Motion to Clarify never should have been filed prior to any investigation by the Receiver.

The impact of the Motion to Clarify on SGLLC has been severe. The Receiver cites to a pending foreclosure action against one of SGLLC's properties as support for putting SGLLC in receivership – however, it is this very Receivership and the pending Motion to Clarify that has precipitated the foreclosure action by disrupting SGLLC's ability to collect amounts owed for the continued storage of Uncle Nearest inventory. First, the Receiver has not paid the storage fees that are due to SGLLC and accrue at the rate of \$6,500 per month, while SGLLC has continued to pay the costs associated with storing the inventory of the Uncle Nearest Entities in an approximately 25,000-square-foot climate-controlled facility. SGLLC provides this storage in the same manner as any climate-controlled storage provider, storing the inventory of the Uncle Nearest entities for a fee. Those inventory items include pallets of Uncle Nearest glass bottles, which must be stored in climate-controlled space to prevent molding, as well as used barrels, bottle labels, bottle closures, shipping cases, and bottle corks. Additionally, delayed payments from the Receiver on unrelated obligations, with adverse credit implications, have made matters worse. This has caused a cash flow issue for SGLLC, resulting in the need to liquidate assets to satisfy its obligations.

The pending foreclosure relating to certain of the SGLLC properties does not create cause for placing SGLLC in this receivership, where the Receiver has asserted no legitimate basis for a finding of commingling or alter ego status. The pending foreclosure relates to a loan requiring refinancing due to a balloon payment. SGLLC would ordinarily refinance the loan or sell the property to satisfy that obligation. However, the uncertainty created by the Receivership and the allegations in the Motion to Clarify have made refinancing or sale impossible. Potential lenders

⁴ See, e.g., *Rochester MSA Bldg. Co. v. UMB Bank, N.A.*, 2022 U.S. Dist. LEXIS 6184, at *17 (D. Minn. 2022) (quoting *Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc.*, 999 F.2d 314, 316 (8th Cir. 1993)).

and purchasers have required assurances that the Receiver will not attempt to unwind transactions involving SGLLC assets while the Motion to Clarify remains pending – assurances that cannot presently be provided. This is something that would never have been contemplated but for the confusion created by the Motion to Clarify as to the Non-Parties, and especially SGLLC.

While SGLLC has a plan for resolving the foreclosure, the foreclosure possibility cannot and should not serve as a basis for expanding the Receivership when the circumstances giving rise to that risk were themselves caused by the Receivership and the Motion to Clarify. To the extent that the Receiver has conjectured (with absolutely no evidence) that the property was “likely” acquired or maintained with funds from Uncle Nearest, that is absolutely false. There is literally no evidence to support the Receiver’s statement. SGLLC requests that the Court base any decision in this matter on facts, not the Receiver’s conjecture unsupported by actual evidence.

Second, the pendency of the Motion to Clarify has caused SGLLC to be unable to sell its assets in order to alleviate the cash flow issue. Specifically, because the Receivership is a highly public proceeding and because the Motion to Clarify is pending, potential purchasers have required assurances that the Receiver will not seek to unravel any sale transaction relating to SGLLC assets. These two factors are the sole reason that SGLLC is dealing with a potential foreclosure. This unfounded Motion to Clarify has been and continues to cause extreme harm to SGLLC and needs to be resolved immediately.

The Post-Hearing Briefs provide no facts sufficient to meet the burden of proving that SGLLC should be subject to the extreme relief of receivership. The Receiver bases his position that SGLLC should be placed in receivership on three allegations. First, the Receiver cites to the volume of documented transactions between SGLLC, the Uncle Nearest Entities, the Non-Parties, and “Unknown Entities,” with no analysis of the specific transactions themselves. The exhibits

include transactions not only between the Non-Parties and the Uncle Nearest Entities, but also transactions between the Non-Parties that do not involve the Uncle Nearest Entities and transactions between the Uncle Nearest Entities that do not involve the Non-Parties. The Receiver's apparent goal is to inflate the number to the greatest extent possible to create the false impression of commingling because he has no legitimate evidence of commingling. There is simply no basis from the number of transactions alone, most not even involving the Uncle Nearest Entities, to conclude that such transactions constitute commingling.

Second, the Receiver makes a vague statement, without any evidence in the record to support it, that the Non-Parties "share employees, bank accounts, and operational resources with Uncle Nearest." To be absolutely clear, there are absolutely no employees shared between Uncle Nearest and SGLLC – none. There is no evidence to support the Receiver's statement, and it is his burden to carry. Furthermore, SGLLC and Uncle Nearest do not share the same bank accounts. There is no evidence that SGLLC "shares" any operational resources with the Uncle Nearest Entities – rather, SGLLC provides storage at its warehouse for the Uncle Nearest Entities' raw materials at the fee rate of \$6,500 per month. That is not sharing of operational resources. That is providing operational resources for a fee.

The Receiver's exhibits aggregating the number and amount of transactions, including transactions that don't even involve the Uncle Nearest Entities, do not support the assertion that the funds of the Non-Parties, or SGLLC specifically, have been commingled with the funds of the Uncle Nearest Entities. As an initial matter, as discussed in the SGLLC Brief, the Receiver has provided no analysis of the nature of the transactions between SGLLC and the Uncle Nearest Entities, and has not alleged that any of the transactions lacked a business purpose or were

unlawful. The fact that the Receiver can only support his commingling argument by aggregating the number of transactions underscores the lack of any legitimate evidence of commingling.

With respect to the specious aggregation exhibits, the Receiver provides none of the back-up documentation to support the raw numbers that he provides, so there is literally no way to assess whether the figures are accurate. Furthermore, it is unclear why the Receiver's exhibits don't tie to each other. The Receiver's Exhibit A-4 pp. 41-47 contains matrices that purport to be looking at the same data but have differing totals. For example, Receiver Exhibit A p. 41 purports to list all receipts and disbursements between the entities over the five-year period and totals the transactions at 498. Then Receiver Exhibit A-4 p. 42 also purports to list all of the receipts and disbursements between the entities over the same five-year period but totals the transactions at 434. It is impossible for the total transactions for the same five-year period between the same entities to be both 498 and 434. Similarly, comparisons of Receiver Exhibit A-4 p. 42 and p. 43, p. 44 and p. 45, and p. 46 and p. 47 have the same issues – none of them tie together even though they are purportedly looking at the same period of time for the same entities. Thus, the Receiver's Exhibit A-4 pp. 41-47 are clearly wrong and do not provide any meaningful evidence to support placing any of the Non-Parties into receivership.

Even assuming hypothetically that the figures in Receiver Exhibit A-4 pp. 41-47 are accurate (they clearly aren't), those figures show only a minimal number of monthly transactions between the Non-Parties and the Uncle Nearest Entities over the five-year period. **Exhibit 1** to this Response provides an analysis of Receiver Exhibit A-4 pp. 44-47, and shows that, if the analysis is limited to the transactions occurring between the Non-Parties and the Receivership Entities exclusively, the total transactions are 84 (at most) and equate to an average total of less

1.4 transactions per month between the Non-Parties and the Receivership entities.⁵ That is 1.4 transactions per month between seven Non-Parties and five Receivership Entities. To break that down further, there are twelve total entities being analyzed (seven Non-Parties and five Receivership Entities), **so the total average identified transactions per month for each of the twelve entities is .12 – or less than one transaction per year per entity.** Even if the Receiver had proof that the transactions constitute “commingling” (he doesn’t), that volume of transactions doesn’t even come close to the volume that would be necessary to support the imposition of the extreme relief of receivership.⁶

With respect to SGLLC specifically, the Receiver has identified only one transaction⁷ between SGLLC and the Receivership Entities over five years. Clearly, one transaction over five years is not sufficient to support a commingling or alter ego argument.

The Receiver has further not demonstrated that putting SGLLC in Receivership is necessary for any investigation he intends to undertake at the expense of Uncle Nearest. It should be noted that the Receiver and his professionals have now charged the estate more than \$2.3 million to investigate this case and have found literally no legitimate evidence that would support a commingling or alter ego determination. Rather, the Receiver and Farm Credit simply assert that the number of transactions between the entities, with no analysis of any specific transactions, to support their position.

In sum, the Receiver and Farm Credit have failed to provide any legitimate evidence that SGLLC has commingled funds with those of the Uncle Nearest Entities or that SGLLC is an alter

⁵ Again, the totals supplied by the Receiver are inconsistent.

⁶ Further, **Exhibit 1** shows that Uncle Nearest was a net beneficiary of the transactions in the amount of approximately \$17 million.

⁷ The Receiver’s Ex.A-4, p. 46-47 are inconsistent – one indicates zero total transactions and the other indicates one total transaction.

ego of the Uncle Nearest Entities. Clearly, the Receiver has not met his burden of proof. The pendency of this Motion to Clarify, where there is literally no evidence to support it, has caused and is continuing to cause serious and irreparable harm to SGLLC and the other Non-Parties.

WHEREFORE, SGLLC respectfully requests that the Court decline to expand the receivership to include SGLLC or its assets and grant such other and further relief as is appropriate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on March 5, 2026, the foregoing document was served on all parties registered to receive electronic notice via the Court's CM/ECF system.

/s/ Michael E. Collins

Michael E. Collins

Uncle Nearest, Inc.
Analysis of Receiver Exhibit A-4

Analysis of Receiver Exhibit A-4 p. 46

Total Number of Transactions Listed by Receiver (Five year period)	434
Less transactions solely between Non-Parties	(173)
Less transactions solely between Receivership Entities	(163)
Less "Account Not Provided" transactions	(15)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	83
Average transactions per month between Receivership Entities and Non-Parties	1.38

Analysis of Receiver Exhibit A-4 p. 47

Total Number of Transactions Listed by Receiver (Five year period)	498
Less transactions solely between Non-Parties	(311)
Less transactions solely between Receivership Entities	(96)
Less "Account Not Provided" transactions	(7)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	84
Average transactions per month between Receivership Entities and Non-Parties	1.40

Net Cash Received from Transactions by Receivership Entities	Payments to Receivership Entities	Payments from Receivership Entities	Net Receipts by Receivership Entities
4 Front Street LLC	\$ 25,000	\$ 39,000	\$ (14,000)
"Account Not Provided"	1,332,533	1,399,904	\$ (67,371)
Classic Hops Inc.	-	-	\$ -
Grant Sidney	-	-	\$ -
Grant Sidney/UNI	16,690,231	-	\$ 16,690,231
Humble Baron	121,250	509,943	\$ (388,693)
Nashwood	400	212,500	\$ (212,100)
Quill and Cask Owner	1,804,950	10,400	\$ 1,794,550
Shelbyville Barrel House	3,900	-	\$ 3,900
Shelbyville Grand	-	130,000	\$ (130,000)
Net Cash Received by Uncle Nearest Entities	\$ 19,978,264	\$ 2,301,747	\$ 17,676,517

This shows that the aggregate transactions in dollars favored the Receivership Entities by more than \$17 million.

justified in very limited circumstances.⁴ Those circumstances are clearly not present in this case, and the Motion to Clarify never should have been filed prior to any investigation by the Receiver.

The Receiver's request to extend the receivership to SBH rests on a fundamental misunderstanding of both the structure of SBH's business and the limited nature of the financial transactions cited in the Receiver's exhibits. As explained below, SBH is an independently licensed restaurant operating pursuant to a standard franchise relationship, and the transactions identified by the Receiver reflect nothing more than routine commercial dealings arising from that relationship and other ordinary business obligations. The sparse number of transactions identified over a five-year period falls far short of the type of financial entanglement necessary to support a finding of commingling or alter ego liability, much less the extraordinary remedy of expanding a federal receivership.

Since the Receiver bears the burden of proof with respect to his effort to place SBH in receivership or to with respect to any alter ego analysis, SBH should not be required to prove a negative with respect unidentified transactions or unspecified alter ego allegation. However, it is absolutely clear that there is no legitimate argument that SBH has commingled funds or is an alter ego of the Uncle Nearest Entities. SBH operates and does business as Chuck's Barrel House BBQ II, a franchise location of the original Chuck's Barrel House BBQ founded by Charles "Chuck" Baker, Jr. in Lynchburg, Tennessee. Mr. Baker is the founder and namesake of the Barrel House concept, and SBH represents the inaugural franchise location of that brand. While SBH operates as its own legal entity with its own licensure and operational structure, it does so pursuant to a standard franchise relationship with Mr. Baker as the franchisor. As part of that franchise relationship, SBH pays Mr. Baker a 6% royalty fee for the use of the Chuck's Barrel House BBQ

⁴ See, e.g., *Rochester MSA Bldg. Co. v. UMB Bank, N.A.*, 2022 U.S. Dist. LEXIS 6184, at *17 (D. Minn. 2022) (quoting *Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc.*, 999 F.2d 314, 316 (8th Cir. 1993)).

brand and operating system. Mr. Baker also provides the proprietary sauces and rubs used by the restaurant on a consignment basis, which are later paid for by SBH in the ordinary course of business. SBH also repays Mr. Baker for his investment of approximately \$300,000 for the kitchen and related equipment, which SBH has been systematically repaying over time. None of these expenses have been paid by any of the Uncle Nearest Entities, and there is no assertion any the Receiver otherwise. These royalty payments, consignment purchases, and equipment repayment obligations reflect ordinary franchise and vendor relationships typical in the restaurant industry and demonstrate clearly defined commercial obligations of SBH rather than any commingling of funds between SBH and Uncle Nearest.

The Post-Hearing Briefs provide no facts sufficient to meet the high burden of proving that SBH should be subject to the extreme relief of receivership. As an initial matter, the Receiver and Farm Credit have thrown about the concept of commingling without providing any definition for the term. The term “commingle” means “to mix personal funds with those of a beneficiary or client, [usually] in an improper or illegal way.”⁵ Thus, in order to determine that commingling has occurred, at least two things need to be established – (1) personal funds owned by one entity were mixed with personal funds owned by another entity and (2) that the mixing of the funds was done in an improper or illegal way. The Receiver has not established that any commingling has occurred. Even if the Receiver could establish some amount of commingling, the extent of the commingling would have to be sufficient to warrant the extreme relief of receivership. That has simply not been proven.

Receiver bases his position that SBH should be placed in receivership on three allegations. First, the Receiver cites to the volume of documented transactions between SBH, the Uncle

⁵ *Spring Valley Produce, Inc. v. Forrest*, 47 F.4th 1229, 1243 (11th Cir. 2022) (quoting *Commingle*, Black’s Law Dictionary (11th ed. 2019)).

Nearest Entities, the Non-Parties, and “Unknown Entities,” with no analysis of the specific transactions themselves. There is simply no basis from the number of transactions alone, most not even involving the Uncle Nearest Entities, to conclude that such transactions constitute commingling.

Second, the allegation that SBH “shares[s] employees, bank accounts, and operational resources with Uncle Nearest” is plainly false. There are absolutely no employees shared between Uncle Nearest and SBH – none. There is no evidence in the record of any sharing of employees. SBH and Uncle Nearest do not share the same bank accounts. There is no evidence of joint bank accounts between the entities – none. SBH does not share any “operational resources” with Uncle Nearest, other than those consistent with the existing Lease. The Receiver alleges that SBH gets the benefit of these “operational resources” without compensating Uncle Nearest. He apparently has not read the applicable Lease, which does not require SBH to pay for any of the common area maintenance charges, including utilities, trash collection, etc.⁶ Further, SBH does not utilize any of the accounting systems used by the Uncle Nearest Entities.⁷ The simple fact that SBH doesn’t reimburse Uncle Nearest for these charges that are not its obligation under the Lease shows that there is no commingling between SBH and the Uncle Nearest Entities.

As to the payment of rent, SBH asserts that any rent due is offset by the unpaid obligations owed by Uncle Nearest to SBH. Regardless, if the Receiver believes it is in the best interests of the Receivership Estate to terminate the Lease based on alleged non-payment of rent, then he has an adequate legal remedy to accomplish that. If he believes that SBH owes money to Uncle Nearest, he has an adequate legal remedy for that. Receivership is not the answer where there are clearly other, less invasive avenues to address the issues alleged by the Receiver.

⁶ Weaver Ex. 30.

⁷ SBH Post-Hearing Brief, Ex. 1, ¶ 29.

The Receiver's exhibits do not support the assertion that the funds of the Non-Parties have been commingled with the funds of the Uncle Nearest Entities. As an initial matter, the Receiver provides none of the back-up documentation to support the raw numbers that he provides, so there is literally no way to assess whether the figures are accurate. Furthermore, it is unclear why the Receiver's exhibits don't tie to each other. The Receiver's Exhibit A-4 pp. 41-47 contains matrices that purport to be looking at the same data but have differing totals. For example, Receiver Exhibit A p. 41 purports to list all receipts and disbursements between the entities over the five-year period and totals the transactions at 498. Then Receiver Exhibit A p. 42 also purports to list all of the receipts and disbursements between the entities over the same five-year period but totals the transactions at 434. It is impossible for the total transactions for the same five-year period between the same entities to be both 498 and 434. Similarly, comparisons of Receiver Exhibit A p. 42 and p. 43, p. 44 and p. 45, and p. 46 and p. 47 have the same issues – none of them tie together even though they are purportedly looking at the same period of time for the same entities. Thus, the Receiver's Exhibit A p. 41-47 are clearly wrong and do not provide any meaningful evidence to support placing any of the Non-Parties into receivership.

Even assuming hypothetically that the figures in Receiver Exhibit A pp. 41-47 are accurate (they clearly aren't), those figures show only a minimal number of monthly transactions between the Non-Parties and the Uncle Nearest Entities over the five-year period. **Exhibit 1** to this Response provides an analysis of Receiver Exhibit A-4 pp. 44-47, and shows that, if the analysis is limited to the transactions occurring between the Non-Parties and the Receivership Entities, the total transactions are 84 (at most) and equate to an average total of less 1.4 transactions per month between the Non-Parties and the Receivership entities. That is 1.4 transactions per month between seven Non-Parties and five Receivership Entities. To break that down further, there are twelve

total entities being analyzed, so the total average identified transactions per month for each of the twelve entities is .12 – or less than one transaction per year per entity. Even if the Receiver had proof that the transactions constitute “commingling” (he doesn’t), that volume of transactions doesn’t even come close to the volume that would be necessary to support the imposition of the extreme relief of receivership.⁸

With respect to SBH specifically, **the Receiver has identified only a single⁹ transaction between SBH and the Receivership Entities over five years.** Considering that SBH operates on the premises of the Nearest Green Distillery, the sparseness of the transactions clearly shows that there is no commingling. Furthermore, the Receiver’s numeric narrative ignores the operating reality that SBH is required by law to be separate from Uncle Nearest. Such an infrequent level of interaction between independent businesses underscores that the entities were operating separately, not as a commingled enterprise.

The Receiver has further not demonstrated that putting SBH in Receivership is necessary for any investigation he intends to undertake at the expense of Uncle Nearest. It should be noted that the Receiver and his professionals have now charged the estate more than \$2.3 million to investigate this case and have found literally no legitimate evidence that would support a commingling or alter ego determination. Rather, the Receiver and Farm Credit simply assert that the number of transactions between the entities, with no analysis of any specific transactions, to support their position.

While the Receiver argues on the one hand that the number of transactions evidences commingling, he then argues that the absence of transactions is also evidence of commingling. In

⁸ Further, **Exhibit 1** shows that Uncle Nearest was a net beneficiary of the transactions in the amount of approximately \$17 million.

⁹ The Receiver’s Ex. A-4 pp. 46-47 are inconsistent – one indicates zero total transactions and the other indicates one total transaction.

fact, neither of those sides of the same coin evidence commingling. They just evidence operating businesses that transact with each other. Just because the Uncle Nearest Entities may transact with Amazon or Sysco regularly, does not mean that Amazon and Sysco are alter egos of the Uncle Nearest Entities.

In sum, the Receiver and Farm Credit have failed to provide any legitimate evidence that SBH has commingled funds with those of the Uncle Nearest Entities or that SBH is an alter ego of the Uncle Nearest Entities. The pendency of this Motion to Clarify, where there is literally no evidence to support it, has caused and is continuing to cause serious and irreparable harm to SBH and the other Non-Parties.

WHEREFORE, SBH respectfully requests that the Court decline to expand the receivership to include SBH or its assets and grant such other and further relief as is appropriate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on March 5, 2026, the foregoing document was served on all parties registered to receive electronic notice via the Court's CM/ECF system.

/s/ Michael E. Collins

Michael E. Collins

Uncle Nearest, Inc.
Analysis of Receiver Exhibit A-4

Analysis of Receiver Exhibit A-4 p. 46

Total Number of Transactions Listed by Receiver (Five year period)	434
Less transactions solely between Non-Parties	(173)
Less transactions solely between Receivership Entities	(163)
Less "Account Not Provided" transactions	(15)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	83
Average transactions per month between Receivership Entities and Non-Parties	1.38

Analysis of Receiver Exhibit A-4 p. 47

Total Number of Transactions Listed by Receiver (Five year period)	498
Less transactions solely between Non-Parties	(311)
Less transactions solely between Receivership Entities	(96)
Less "Account Not Provided" transactions	(7)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	84
Average transactions per month between Receivership Entities and Non-Parties	1.40

Net Cash Received from Transactions by Receivership Entities	Payments to Receivership	Payments from	Net Receipts by Receivership
	Entities	Receivership Entities	Entities
4 Front Street LLC	\$ 25,000	\$ 39,000	\$ (14,000)
"Account Not Provided"	1,332,533	1,399,904	\$ (67,371)
Classic Hops Inc.	-	-	\$ -
Grant Sidney	-	-	\$ -
Grant Sidney/UNI	16,690,231	-	\$ 16,690,231
Humble Baron	121,250	509,943	\$ (388,693)
Nashwood	400	212,500	\$ (212,100)
Quill and Cask Owner	1,804,950	10,400	\$ 1,794,550
Shelbyville Barrel House	3,900	-	\$ 3,900
Shelbyville Grand	-	130,000	\$ (130,000)
Net Cash Received by Uncle Nearest Entities	\$ 19,978,264	\$ 2,301,747	\$ 17,676,517

This shows that the aggregate transactions in dollars favored the Receivership Entities by more than \$17 million.

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE**

FARM CREDIT MID-AMERICA, PCA,)	
)	
Plaintiff,)	Case No. 4:25-cv-38
)	
v.)	Judge Atchley
)	
UNCLE NEAREST, INC., et al.,)	Magistrate Judge Steger
)	
Defendants.)	
)	

**RESPONSE OF 4 FRONT STREET, LLC RELATING TO
MOTION FOR CLARIFICATION OF RECEIVERSHIP ORDER AND
STATEMENT OF FARM CREDIT**

4 Front Street, LLC (“4FS”), by and through its undersigned counsel, provides this supplemental brief with regard to the *Receiver’s Motion for Clarification of Receivership Order* (the “Motion to Clarify”)¹ and the *Statement of Farm Credit Mid-America, PCA in Support of Motion for Clarification of Receivership Order* (the “Farm Credit Statement”),² responding to the Post-Hearing Briefs submitted by the Receiver and Farm Credit (collectively, the “Post-Hearing Briefs”).

The burden of proof on the issue of whether the Non-Parties, including 4FS, should be placed in receivership is clearly on the Receiver and Farm Credit and the burden is high.³ The federal courts have recognized that placing a company in receivership is an extreme form of relief

¹ Dkt. 41.

² Dkt. 44.

³ See *Taylor Steel, Inc. v. Keeton*, 417 F.3d 598, 607 (6th Cir. 2005) (holding that party seeking to pierce corporate veil bears the burden of proof); *Oceanics Schools, Inc. v. Barbour*, 112 S.W.3d 135, 140 (Tenn. Ct. App. 2003) (“The party wishing to pierce the corporate veil has the burden of presenting facts demonstrating that it is entitled to this equitable relief.”) (citing *Schlater v. Haynie*, 833 S.W.2d 919, 925 (Tenn. Ct. App. 1991)).

justified in very limited circumstances.⁴ Those circumstances are clearly not present in this case, and the Motion to Clarify never should have been filed prior to any investigation by the Receiver.

The Post-Hearing Briefs provide no facts sufficient to meet the burden of proving that 4FS should be subject to the extreme relief of receivership. As an initial matter, the Receiver and Farm Credit have thrown about the concept of commingling without providing any definition for the term. The term “commingle” means “to mix personal funds with those of a beneficiary or client, [usually] in an improper or illegal way.”⁵ Thus, in order to determine that commingling has occurred, at least two things need to be established – (1) personal funds owned by one entity were mixed with personal funds owned by another entity and (2) that the mixing of the funds was done in an improper or illegal way. The Receiver has not established that any commingling has occurred. Even if the Receiver could establish some amount of commingling, the extent of the commingling would have to be sufficient to warrant the extreme relief of receivership. That has simply not been proven.

The Receiver bases his position that 4FS should be placed in receivership on three allegations. First, the Receiver cites to the volume of documented transactions between 4FS, the Uncle Nearest Entities, the Non-Parties, and “Unknown Entities,” with no analysis of the specific transactions themselves. The exhibits include transactions not only between the Non-Parties and the Uncle Nearest Entities, but also transactions between the Non-Parties that do not involve the Uncle Nearest Entities and transactions between the Uncle Nearest Entities that do not involve the Non-Parties. The Receiver’s apparent goal is to inflate the number to the greatest extent possible to create the false impression of commingling because he has no legitimate evidence of

⁴ See, e.g., *Rochester MSA Bldg. Co. v. UMB Bank, N.A.*, 2022 U.S. Dist. LEXIS 6184, at *17 (D. Minn. 2022) (quoting *Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc.*, 999 F.2d 314, 316 (8th Cir. 1993)).

⁵ *Spring Valley Produce, Inc. v. Forrest*, 47 F.4th 1229, 1243 (11th Cir. 2022) (quoting *Commingle*, Black’s Law Dictionary (11th ed. 2019)).

commingling. There is simply no basis from the number of transactions alone, most not even involving the Uncle Nearest Entities, to conclude that such transactions constitute commingling.

Second, the Receiver makes a vague statement, without any evidence in the record to support it, that the Non-Parties “share employees, bank accounts, and operational resources with Uncle Nearest.” To be absolutely clear, there are absolutely no employees shared between Uncle Nearest and 4FS – none. There is no evidence to support the Receiver’s statement, and it is his burden to carry. Furthermore, 4FS and Uncle Nearest do not share the same bank accounts. There is no evidence of joint bank accounts between the entities – none. Finally, 4FS does not share any “operational resources” with Uncle Nearest – none.

The Receiver’s exhibits aggregating the number and amount of transactions, including transactions that don’t even involve the Uncle Nearest Entities, do not support the assertion that the funds of the Non-Parties, or 4FS specifically, have been commingled with the funds of the Uncle Nearest Entities. As an initial matter, as discussed in the 4FS Brief, there are literally no transactions between 4FS and Uncle Nearest. The Receiver alleges that there are two such transactions over the past five years but provides no details of those alleged transactions. He has also not alleged that either of the two purported transactions lacked a business purpose or were unlawful. The fact that the Receiver can only support his commingling argument by aggregating the number of transactions underscores the lack of any legitimate evidence of commingling.

With respect to the specious aggregation exhibits, the Receiver provides none of the back-up documentation to support the raw numbers that he provides, so there is literally no way to assess whether the figures are accurate. Furthermore, it is unclear why the Receiver’s exhibits don’t tie to each other. The Receiver’s Exhibit A-4 pp. 41-47 contains matrices that purport to be looking at the same data but have differing totals. For example, Receiver Exhibit A p. 41 purports to list

all receipts and disbursements between the entities over the five-year period and totals the transactions at 498. Then Receiver Exhibit A-4 p. 42 also purports to list all of the receipts and disbursements between the entities over the same five-year period but totals the transactions at 434. It is impossible for the total transactions for the same five-year period between the same entities to be both 498 and 434. Similarly, comparisons of Receiver Exhibit A-4 p. 42 and p. 43, p. 44 and p. 45, and p. 46 and p. 47 have the same issues – none of them tie together even though they are purportedly looking at the same period of time for the same entities. Thus, the Receiver’s Exhibit A-4 pp. 41-47 are clearly wrong and do not provide any meaningful evidence to support placing any of the Non-Parties into receivership.

Even assuming hypothetically that the figures in Receiver Exhibit A-4 pp. 41-47 are accurate (they clearly aren’t), those figures show only a minimal number of monthly transactions between the Non-Parties and the Uncle Nearest Entities over the five-year period. **Exhibit 1** to this Response provides an analysis of Receiver Exhibit A-4 pp. 44-47, and shows that, if the analysis is limited to the transactions occurring between the Non-Parties and the Receivership Entities exclusively, the total transactions are 84 (at most) and equate to an average total of less than 1.4 transactions per month between the Non-Parties and the Receivership entities.⁶ That is 1.4 transactions per month between seven Non-Parties and five Receivership Entities. To break that down further, there are twelve total entities being analyzed (seven Non-Parties and five Receivership Entities), **so the total average identified transactions per month for each of the twelve entities is .12 – or less than one transaction per year per entity**. Even if the Receiver had proof that the transactions constitute “commingling” (he doesn’t), that volume of transactions

⁶ Again, the totals supplied by the Receiver are inconsistent.

doesn't even come close to the volume that would be necessary to support the imposition of the extreme relief of receivership.⁷

With respect to 4FS specifically, the Receiver has identified on his Exhibit A-4 pp. 46-47 one alleged transaction between 4FS and the Receivership Entities over five years. Again, 4FS has no knowledge as to the transaction that the Receiver believes to have occurred. However, even if the transaction existed, one transaction is not evidence of any commingling or alter ego status.

The Receiver has further not demonstrated that putting 4FS in Receivership is necessary for any investigation he intends to undertake at the expense of Uncle Nearest. It should be noted that the Receiver and his professionals have now charged the estate more than \$2.3 million to investigate this case and have found literally no legitimate evidence that would support a commingling or alter ego determination. Rather, the Receiver and Farm Credit simply assert that the number of transactions between the entities, with no analysis of any specific transactions, to support their position.

In sum, the Receiver and Farm Credit have failed to provide any legitimate evidence that 4FS has commingled funds with those of the Uncle Nearest Entities or that 4FS is an alter ego of the Uncle Nearest Entities. Clearly, the Receiver has not met his burden of proof. The pendency of this Motion to Clarify, where there is literally no evidence to support it, has caused and is continuing to cause serious and irreparable harm to 4FS and the other Non-Parties.

⁷ Further, **Exhibit 1** shows that Uncle Nearest was a net beneficiary of the transactions in the amount of approximately \$17 million.

WHEREFORE, 4FS respectfully requests that the Court decline to expand the receivership to include 4FS or its assets and grant such other and further relief as is appropriate.

Respectfully submitted,

MANIER & HEROD, P.C.

/s/ Michael E. Collins

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Counsel for 4FS

CERTIFICATE OF SERVICE

I hereby certify that on March 5, 2026, the foregoing document was served on all parties registered to receive electronic notice via the Court's CM/ECF system.

/s/ Michael E. Collins

Michael E. Collins

Uncle Nearest, Inc.
Analysis of Receiver Exhibit A-4

Analysis of Receiver Exhibit A-4 p. 46

Total Number of Transactions Listed by Receiver (Five year period)	434
Less transactions solely between Non-Parties	(173)
Less transactions solely between Receivership Entities	(163)
Less "Account Not Provided" transactions	(15)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	83
Average transactions per month between Receivership Entities and Non-Parties	1.38

Analysis of Receiver Exhibit A-4 p. 47

Total Number of Transactions Listed by Receiver (Five year period)	498
Less transactions solely between Non-Parties	(311)
Less transactions solely between Receivership Entities	(96)
Less "Account Not Provided" transactions	(7)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	84
Average transactions per month between Receivership Entities and Non-Parties	1.40

Net Cash Received from Transactions by Receivership Entities	Payments to Receivership Entities	Payments from Receivership Entities	Net Receipts by Receivership Entities
4 Front Street LLC	\$ 25,000	\$ 39,000	\$ (14,000)
"Account Not Provided"	1,332,533	1,399,904	\$ (67,371)
Classic Hops Inc.	-	-	\$ -
Grant Sidney	-	-	\$ -
Grant Sidney/UNI	16,690,231	-	\$ 16,690,231
Humble Baron	121,250	509,943	\$ (388,693)
Nashwood	400	212,500	\$ (212,100)
Quill and Cask Owner	1,804,950	10,400	\$ 1,794,550
Shelbyville Barrel House	3,900	-	\$ 3,900
Shelbyville Grand	-	130,000	\$ (130,000)
Net Cash Received by Uncle Nearest Entities	\$ 19,978,264	\$ 2,301,747	\$ 17,676,517

This shows that the aggregate transactions in dollars favored the Receivership Entities by more than \$17 million.

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE**

FARM CREDIT MID-AMERICA, PCA,)	
)	
Plaintiff,)	Case No. 4:25-cv-38
)	
v.)	Judge Atchley
)	
UNCLE NEAREST, INC., et al.,)	Magistrate Judge Steger
)	
Defendants.)	
)	

**RESPONSE OF NASHWOOD, INC. RELATING TO
MOTION FOR CLARIFICATION OF RECEIVERSHIP ORDER AND
STATEMENT OF FARM CREDIT**

Nashwood, Inc. (“Nashwood”), by and through its undersigned counsel, provides this supplemental brief with regard to the *Receiver’s Motion for Clarification of Receivership Order* (the “Motion to Clarify”)¹ and the *Statement of Farm Credit Mid-America, PCA in Support of Motion for Clarification of Receivership Order* (the “Farm Credit Statement”),² responding to the Post-Hearing Briefs submitted by the Receiver and Farm Credit (collectively, the “Post-Hearing Briefs”).

The burden of proof on the issue of whether the Non-Parties, including Nashwood, should be placed in receivership is clearly on the Receiver and Farm Credit and the burden is high.³ The federal courts have recognized that placing a company in receivership is an extreme form of relief

¹ Dkt. 41.

² Dkt. 44.

³ See *Taylor Steel, Inc. v. Keeton*, 417 F.3d 598, 607 (6th Cir. 2005) (holding that party seeking to pierce corporate veil bears the burden of proof); *Oceanics Schools, Inc. v. Barbour*, 112 S.W.3d 135, 140 (Tenn. Ct. App. 2003) (“The party wishing to pierce the corporate veil has the burden of presenting facts demonstrating that it is entitled to this equitable relief.”) (citing *Schlater v. Haynie*, 833 S.W.2d 919, 925 (Tenn. Ct. App. 1991)).

justified in very limited circumstances.⁴ Those circumstances are clearly not present in this case, and the Motion to Clarify never should have been filed prior to any investigation by the Receiver.

The Post-Hearing Briefs provide no facts sufficient to meet the burden of proving that Nashwood should be subject to the extreme relief of receivership. As an initial matter, the Receiver and Farm Credit have thrown about the concept of commingling without providing any definition for the term. The term “commingle” means “to mix personal funds with those of a beneficiary or client, [usually] in an improper or illegal way.”⁵ Thus, in order to determine that commingling has occurred, at least two things need to be established – (1) personal funds owned by one entity were mixed with personal funds owned by another entity and (2) that the mixing of the funds was done in an improper or illegal way. The Receiver has not established that any commingling has occurred. Even if the Receiver could establish some amount of commingling, the extent of the commingling would have to be sufficient to warrant the extreme relief of receivership. That has simply not been proven.

The Receiver bases his position that Nashwood should be placed in receivership on three allegations. First, the Receiver cites to the volume of documented transactions between Nashwood, the Uncle Nearest Entities, the Non-Parties, and “Unknown Entities,” with no analysis of the specific transactions themselves. The exhibits include transactions not only between the Non-Parties and the Uncle Nearest Entities, but also transactions between the Non-Parties that do not involve the Uncle Nearest Entities and transactions between the Uncle Nearest Entities that do not involve the Non-Parties. The Receiver’s apparent goal is to inflate the number to the greatest extent possible to create the false impression of commingling because he has no legitimate

⁴ See, e.g., *Rochester MSA Bldg. Co. v. UMB Bank, N.A.*, 2022 U.S. Dist. LEXIS 6184, at *17 (D. Minn. 2022) (quoting *Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc.*, 999 F.2d 314, 316 (8th Cir. 1993)).

⁵ *Spring Valley Produce, Inc. v. Forrest*, 47 F.4th 1229, 1243 (11th Cir. 2022) (quoting *Commingle*, Black’s Law Dictionary (11th ed. 2019)).

evidence of commingling. There is simply no basis from the number of transactions alone, most not even involving the Uncle Nearest Entities, to conclude that such transactions constitute commingling.

Second, the Receiver makes a vague statement, without any evidence in the record to support it, that the Non-Parties “share employees, bank accounts, and operational resources with Uncle Nearest.” To be absolutely clear, there are absolutely no employees shared between Uncle Nearest and Nashwood – none. There is no evidence to support the Receiver’s statement and it is his burden to carry. Furthermore, Nashwood and Uncle Nearest do not share the same bank accounts. There is no evidence of joint bank accounts between the entities – none. Finally, Nashwood does not share any “operational resources” with Uncle Nearest – none. Nashwood has provided certain event related services to the Uncle Nearest Entities over the years for the flat fee of \$10,000 per month. That is not sharing of operational resources - that is providing operational resources for a fee, which is the very nature of operating a separate business.

The Receiver’s exhibits aggregating the number and amount of transactions, including transactions that don’t even involve the Uncle Nearest Entities, do not support the assertion that the funds of the Non-Parties, or Nashwood specifically, have been commingled with the funds of the Uncle Nearest Entities. As an initial matter, as discussed in the Nashwood Brief, the Receiver has provided no analysis of the nature of the transactions between Nashwood and the Uncle Nearest Entities, and has not alleged that any of the transactions lacked a business purpose or were unlawful. The fact that the Receiver can only support his commingling argument by aggregating the number of transactions underscores the lack of any legitimate evidence of commingling.

With respect to the specious aggregation exhibits, the Receiver provides none of the back-up documentation to support the raw numbers that he provides, so there is literally no way to assess

whether the figures are accurate. Furthermore, it is unclear why the Receiver's exhibits don't tie to each other. The Receiver's Exhibit A-4 pp. 41-47 contains matrices that purport to be looking at the same data but have differing totals. For example, Receiver Exhibit A p. 41 purports to list all receipts and disbursements between the entities over the five-year period and totals the transactions at 498. Then Receiver Exhibit A-4 p. 42 also purports to list all of the receipts and disbursements between the entities over the same five-year period but totals the transactions at 434. It is impossible for the total transactions for the same five-year period between the same entities to be both 498 and 434. Similarly, comparisons of Receiver Exhibit A-4 p. 42 and p. 43, p. 44 and p. 45, and p. 46 and p. 47 have the same issues – none of them tie together even though they are purportedly looking at the same period of time for the same entities. Thus, the Receiver's Exhibit A-4 pp. 41-47 are clearly wrong and do not provide any meaningful evidence to support placing any of the Non-Parties into receivership.

Even assuming hypothetically that the figures in Receiver Exhibit A-4 pp. 41-47 are accurate (they clearly aren't), those figures show only a minimal number of monthly transactions between the Non-Parties and the Uncle Nearest Entities over the five-year period. **Exhibit 1** to this Response provides an analysis of Receiver Exhibit A-4 pp. 44-47, and shows that, if the analysis is limited to the transactions occurring between the Non-Parties and the Receivership Entities exclusively, the total transactions are 84 (at most) and equate to an average total of less than 1.4 transactions per month between the Non-Parties and the Receivership entities.⁶ That is 1.4 transactions per month between seven Non-Parties and five Receivership Entities. To break that down further, there are twelve total entities being analyzed (seven Non-Parties and five Receivership Entities), **so the total average identified transactions per month for each of the**

⁶ Again, the totals supplied by the Receiver are inconsistent.

twelve entities is **.12 – or less than one transaction per year per entity**. Even if the Receiver had proof that the transactions constitute “commingling” (he doesn’t), that volume of transactions doesn’t even come close to the volume that would be necessary to support the imposition of the extreme relief of receivership.⁷

With respect to Nashwood specifically, the Receiver has identified, at most, 34⁸ transactions between Nashwood and the Receivership Entities over five years. That amounts to approximately **less than one transaction between the entities per month**, and is not evidence of any commingling, much less the extent of commingling necessary to justify the imposition of receivership.

The Receiver has further not demonstrated that putting Nashwood in Receivership is necessary for any investigation he intends to undertake at the expense of Uncle Nearest. It should be noted that the Receiver and his professionals have now charged the estate more than \$2.3 million to investigate this case and have found literally no legitimate evidence that would support a commingling or alter ego determination. Rather, the Receiver and Farm Credit simply assert that the number of transactions between the entities, with no analysis of any specific transactions, to support their position.

In sum, the Receiver and Farm Credit have failed to provide any legitimate evidence that Nashwood has commingled funds with those of the Uncle Nearest Entities or that Nashwood is an alter ego of the Uncle Nearest Entities. Clearly, the Receiver has not met his burden of proof. The pendency of this Motion to Clarify, where there is literally no evidence to support it, has caused and is continuing to cause serious and irreparable harm to Nashwood and the other Non-Parties.

⁷ Further, **Exhibit 1** shows that Uncle Nearest was a net beneficiary of the transactions in the amount of approximately \$17 million.

⁸ The Receiver’s Ex.A-4, p. 46-47 are inconsistent – one indicates 8 total transactions and the other indicates 34 total transactions.

WHEREFORE, Nashwood respectfully requests that the Court decline to expand the receivership to include Nashwood or its assets and grant such other and further relief as is appropriate.

Respectfully submitted,

MANIER & HEROD, P.C.

/s/ Michael E. Collins

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Counsel for Nashwood, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on March 5, 2026, the foregoing document was served on all parties registered to receive electronic notice via the Court's CM/ECF system.

/s/ Michael E. Collins

Michael E. Collins

Uncle Nearest, Inc.
Analysis of Receiver Exhibit A-4

Analysis of Receiver Exhibit A-4 p. 46

Total Number of Transactions Listed by Receiver (Five year period)	434
Less transactions solely between Non-Parties	(173)
Less transactions solely between Receivership Entities	(163)
Less "Account Not Provided" transactions	(15)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	83
Average transactions per month between Receivership Entities and Non-Parties	1.38

Analysis of Receiver Exhibit A-4 p. 47

Total Number of Transactions Listed by Receiver (Five year period)	498
Less transactions solely between Non-Parties	(311)
Less transactions solely between Receivership Entities	(96)
Less "Account Not Provided" transactions	(7)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	84
Average transactions per month between Receivership Entities and Non-Parties	1.40

Net Cash Received from Transactions by Receivership Entities	Payments to Receivership Entities	Payments from Receivership Entities	Net Receipts by Receivership Entities
4 Front Street LLC	\$ 25,000	\$ 39,000	\$ (14,000)
"Account Not Provided"	1,332,533	1,399,904	\$ (67,371)
Classic Hops Inc.	-	-	\$ -
Grant Sidney	-	-	\$ -
Grant Sidney/UNI	16,690,231	-	\$ 16,690,231
Humble Baron	121,250	509,943	\$ (388,693)
Nashwood	400	212,500	\$ (212,100)
Quill and Cask Owner	1,804,950	10,400	\$ 1,794,550
Shelbyville Barrel House	3,900	-	\$ 3,900
Shelbyville Grand	-	130,000	\$ (130,000)
Net Cash Received by Uncle Nearest Entities	\$ 19,978,264	\$ 2,301,747	\$ 17,676,517

This shows that the aggregate transactions in dollars favored the Receivership Entities by more than \$17 million.

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE**

FARM CREDIT MID-AMERICA, PCA,)	
)	
Plaintiff,)	Case No. 4:25-cv-38
)	
v.)	Judge Atchley
)	
UNCLE NEAREST, INC., et al.,)	Magistrate Judge Steger
)	
Defendants.)	
)	

**RESPONSE OF QUILL & CASK OWNER, LLC TO
MOTION FOR CLARIFICATION OF RECEIVERSHIP ORDER AND
STATEMENT OF FARM CREDIT**

Quill & Cask Owner, LLC (“Q&C”), by and through its undersigned counsel, provides this supplemental brief with regard to the *Receiver’s Motion for Clarification of Receivership Order* (the “Motion to Clarify”)¹ and the *Statement of Farm Credit Mid-America, PCA in Support of Motion for Clarification of Receivership Order* (the “Farm Credit Statement”),² responding to the Post-Hearing Briefs submitted by the Receiver and Farm Credit (collectively, the “Post-Hearing Briefs”).

The burden of proof on the issue of whether the Non-Parties, including Q&C, should be placed in Receivership is clearly on the Receiver and Farm Credit and the burden is high. The Sixth Circuit has recognized that placing a company in receivership is an extreme form of relief justified in very limited circumstances. Those circumstances are clearly not present in this case and the Motion to Clarify never should have been filed prior to any investigation by the Receiver.

¹ Dkt. 41.

² Dkt. 44.

The Post-Hearing Briefs provide no facts sufficient to meet the burden of proving that Q&C should be subject to the extreme relief of receivership. As an initial matter, the Receiver and Farm Credit have thrown about the concept of commingling without providing any definition for the term. The term “commingle” means “to mix personal funds with those of a beneficiary or client, [usually] in an improper or illegal way.”³ Thus, in order to determine that commingling has occurred, at least two things need to be established – (1) personal funds owned by one entity were mixed with personal funds owned by another entity and (2) that the mixing of the funds was done in an improper or illegal way. The Receiver has not established that any commingling has occurred. Even if the Receiver could establish some amount of commingling, the extent of the commingling would have to be sufficient to warrant the extreme relief of receivership. That has simply not been proven.

The Receiver bases his position that Q&C should be placed in receivership on three allegations. First, the Receiver cites to the volume of documented transactions between Q&C, the Uncle Nearest Entities, the Non-Parties, and “Unknown Entities,” with no analysis of the specific transactions themselves. The exhibits include transactions not only between the Non-Parties and the Uncle Nearest Entities, but also transactions between the Non-Parties, that do not involve the Uncle Nearest Entities and transactions between the Uncle Nearest Entities that do not involve the Non-Parties. The Receiver’s apparent goal is to inflate the number to the greatest extent possible to create the false impression of commingling because he has no legitimate evidence of commingling. There is simply no basis from the number of transactions alone, most not even involving the Uncle Nearest Entities, to conclude that such transactions constitute commingling.

³ *Spring Valley Produce, Inc. v. Forrest*, 47 F.4th 1229, 1243 (11th Cir. 2022) (quoting *Commingle*, Black’s Law Dictionary (11th ed. 2019)).

Second, the Receiver makes a vague statement, without any evidence in the record to support it, that the Non-Parties “share employees, bank accounts, and operational resources with Uncle Nearest.” To be absolutely clear, there are absolutely no employees shared between Uncle Nearest and Q&C – none. In fact, Q&C has no employees. There is no evidence to support the Receiver’s statement, and it is his burden to carry. Furthermore, Q&C and Uncle Nearest do not share the same bank accounts. There is no evidence of joint bank accounts between the entities – none. Finally, Q&C does not share any “operational resources” with Uncle Nearest – none. Q&C does not operate out of the Nearest Green Distillery and literally shares no operational resources, for a fee or otherwise, with the Uncle Nearest Entities. There is absolutely no evidentiary basis for the Receiver’s request that Q&C be put into receivership, and the Receiver has not and cannot satisfy his burden.

The Receiver’s exhibits aggregating the number and amount of transactions, including transactions that don’t even involve the Uncle Nearest Entities, do not support the assertion that the funds of the Non-Parties, or Q&C specifically, have been commingled with the funds of the Uncle Nearest Entities. As an initial matter, as discussed in the Q&C Post-Hearing Brief, the Receiver has provided no analysis of the nature of the transactions between Q&C and the Uncle Nearest Entities and has not alleged that any of the transactions lacked a business purpose or were unlawful. The fact that the Receiver can only support his commingling argument by aggregating the number of transactions underscores the lack of any legitimate evidence of commingling.

With respect to the specious aggregation exhibits, the Receiver provides none of the back-up documentation to support the raw numbers that he provides, so there is literally no way to assess whether the figures are accurate. Furthermore, it is unclear why the Receiver’s exhibits don’t tie to each other. The Receiver’s Exhibit A-4 pp. 41-47 contains matrices that purport to be looking

at the same data but have differing totals. For example, Receiver Exhibit A p. 41 purports to list all receipts and disbursements between the entities over the five-year period and totals the transactions at 498. Then Receiver Exhibit A-4 p. 42 also purports to list all of the receipts and disbursements between the entities over the same five-year period but totals the transactions at 434. It is impossible for the total transactions for the same five-year period between the same entities to be both 498 and 434. Similarly, comparisons of Receiver Exhibit A-4 p. 42 and p. 43, p. 44 and p. 45, and p. 46 and p. 47 have the same issues – none of them tie together even though they are purportedly looking at the same period of time for the same entities. Thus, the Receiver’s Exhibit A-4 pp. 41-47 are clearly wrong and do not provide any meaningful evidence to support placing any of the Non-Parties into receivership.

Even assuming hypothetically that the figures in Receiver Exhibit A-4 pp. 41-47 are accurate (they clearly aren’t), those figures show only a minimal number of monthly transactions between the Non-Parties and the Uncle Nearest Entities over the five-year period. **Exhibit 1** to this Response provides an analysis of Receiver Exhibit A-4 pp. 44-47, and shows that, if the analysis is limited to the transactions occurring between the Non-Parties and the Receivership Entities exclusively, the total transactions are 84 (at most) and equate to an average total of less 1.4 transactions per month between the Non-Parties and the Receivership entities.⁴ That is 1.4 transactions per month between seven Non-Parties and five Receivership Entities. To break that down further, there are twelve total entities being analyzed (seven Non-Parties and five Receivership Entities), **so the total average identified transactions per month for each of the twelve entities is .12 – or less than one transaction per year per entity.** Even if the Receiver had proof that the transactions constitute “commingling” (he doesn’t), that volume of transactions

⁴ Again, the totals supplied by the Receiver are inconsistent.

doesn't even come close to the volume that would be necessary to support the imposition of the extreme relief of receivership.⁵

With respect to Q&C specifically, the Receiver has identified only four alleged transactions total between Q&C and the Receivership Entities over five years. That amounts to **less than one transaction between the entities on average per year**, and is not evidence of any commingling, much less the extent of commingling necessary to justify the imposition of receivership.

The Receiver has further not demonstrated that putting Q&C in Receivership is necessary for any investigation he intends to undertake at the expense of Uncle Nearest. It should be noted that the Receiver and his professionals have now charged the estate more than \$2.3 million to investigate this case and have found literally no legitimate evidence that would support a commingling or alter ego determination. Rather, the Receiver and Farm Credit simply assert that the number of transactions between the entities, with no analysis of any specific transactions, to support their position.

In sum, the Receiver and Farm Credit have failed to provide any legitimate evidence that Q&C has commingled funds with those of the Uncle Nearest Entities or that Q&C is an alter ego of the Uncle Nearest Entities. Clearly, the Receiver has not met his burden of proof. The pendency of this Motion to Clarify, where there is literally no evidence to support it, has caused and is continuing to cause serious and irreparable harm to Q&C and the other Non-Parties.

⁵ Further, **Exhibit 1** shows that Uncle Nearest was a net beneficiary of the transactions in the amount of approximately \$17 million.

WHEREFORE, Q&C respectfully requests that the Court decline to expand the receivership to include Q&C or its assets and grant such other and further relief as is appropriate.

Respectfully submitted,

MANIER & HEROD, P.C.

/s/ Michael E. Collins

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CERTIFICATE OF SERVICE

I hereby certify that on March 5, 2026, the foregoing document was served on all parties registered to receive electronic notice via the Court's CM/ECF system.

/s/ Michael E. Collins

Michael E. Collins

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Analysis of Receiver Exhibit A-4

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Net Cash Received by Uncle Nearest Entities	\$ 19,978,264	\$ 2,301,747	\$ 17,676,517

This shows that the aggregate transactions in dollars favored the Receivership Entities by more than \$17 million.

relief justified in very limited circumstances.⁴ Those circumstances are clearly not present in this case, and the Motion to Clarify never should have been filed prior to any investigation by the Receiver.

The Post-Hearing Briefs provide no facts sufficient to meet the high burden of proving that Humble Baron should be subject to the extreme relief of receivership. As an initial matter, the Receiver and Farm Credit have thrown about the concept of commingling without providing any definition for the term or establishing it has occurred. The term “commingle” means “to mix personal funds with those of a beneficiary or client, [usually] in an improper or illegal way.”⁵ Thus, in order to determine that commingling has occurred, at least two things need to be established – (1) personal funds owned by one entity were mixed with personal funds owned by another entity and (2) that the mixing of the funds was done in an improper or illegal way. The Receiver has not established that any commingling has occurred. Even if the Receiver could establish some amount of commingling (he can’t), the extent of the commingling would have to be sufficient to warrant the extreme relief of receivership. That has simply not been proven.

The Receiver bases his position that Humble Baron should be placed in receivership on three allegations. First, the Receiver cites to the volume of transactions between Humble Baron, the Uncle Nearest Entities, the Non-Parties, and “Unknown Entities,” with no analysis of the specific transactions themselves. There is simply no basis from the number of transactions alone, most not even involving Uncle Nearest Entities, to conclude that such transactions constitute commingling.

⁴ See, e.g., *Rochester MSA Bldg. Co. v. UMB Bank, N.A.*, 2022 U.S. Dist. LEXIS 6184, at *17 (D. Minn. 2022) (quoting *Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc.*, 999 F.2d 314, 316 (8th Cir. 1993)).

⁵ *Spring Valley Produce, Inc. v. Forrest*, 47 F.4th 1229, 1243 (11th Cir. 2022) (quoting *Commingle*, Black’s Law Dictionary (11th ed. 2019)).

Second, the Receiver cites to the payment made by Uncle Nearest to Levy Foodservice as evidence of commingling when, in fact, the funds paid by Uncle Nearest to Levy were never mixed with Humble Baron's funds. Consequently, that payment cannot be deemed commingling. Furthermore, the payment by Uncle Nearest to Levy has been shown to be in payment of Uncle Nearest's own obligations, so it is not evidence of commingling or any improper or illegal act.

Third, the Receiver's allegation that Humble Baron "shares[s] employees, bank accounts, and operational resources with Uncle Nearest" is not supported by any facts in the record. The Receiver has provided no evidence that Humble Baron and Uncle Nearest share the same bank accounts, even though the Receiver has access to all of the bank accounts. Furthermore, Humble Baron does not share any "operational resources" with Uncle Nearest, other than those consistent with the Lease that exists between Uncle Nearest Real Estate Holdings, LLC and Humble Baron. The Receiver alleges that Humble Baron gets the benefit of these "operational resources" without compensating Uncle Nearest. He apparently has not read the applicable Lease, which specifically provides that the landlord, i.e. Uncle Nearest Real Estate Holdings, LLC, is required to pay for all of the common area maintenance charges, including utilities, trash collection, etc.⁶ Further, Humble Baron does not utilize any of the accounting systems used by the Uncle Nearest Entities.⁷ The simple fact that Humble Baron doesn't reimburse Uncle Nearest for these charges that are not its obligation under the Lease shows that there is no commingling between Humble Baron and the Uncle Nearest Entities. The Receiver has the burden of proof and has not met that burden.

As to the payment of rent, Humble Baron asserts that any rent due is offset by the unpaid obligations owed by Uncle Nearest to Humble Baron. Regardless, if the Receiver believes it is in the best interests of the Receivership Estate to terminate the Lease based on alleged non-payment

⁶ Weaver Exs. 26-27.

⁷ Humble Baron Post-Hearing Brief, Ex. 1, ¶¶ 5-8.

of rent, then he has an adequate legal remedy to accomplish that. If he believes that Humble Baron owes money to Uncle Nearest, he has an adequate legal remedy for that. Receivership is not the answer where there are clearly other, less invasive avenues to address the issues alleged by the Receiver.

The Receiver's exhibits do not support the assertion that the funds of the Non-Parties have been commingled with the funds of the Uncle Nearest Entities. The mere counting of transactions does not prove (1) that funds owned by one entity were mixed with funds owned by another entity or (2) that any alleged mixing of funds was improper or illegal. Furthermore, the Receiver provides none of the back-up documentation to support the raw numbers that he provides, so there is literally no way to assess whether the figures are accurate.

It is also unclear why the Receiver's exhibits don't tie to each other. The Receiver's Exhibit A-4 p. 41-47 contains matrices that purport to be looking at the same data but have differing totals. For example, Receiver Exhibit A-4 p. 41 purports to list all receipts and disbursements between the entities over the five-year period and totals the transactions at 498. Then Receiver Exhibit A-4 p. 42 also purports to list all of the receipts and disbursements between the entities over the same five-year period but totals the transactions at 434. It is impossible for the total transactions for the same five-year period between the same entities to be both 498 and 434. Similarly, comparisons of Receiver Exhibit A-4 p. 42 and p. 43, p. 44 and p. 45, and p. 46 and p. 47 have the same issues – none of them tie together even though they are purportedly looking at the same period of time for the same entities. Thus, the Receiver's Exhibit A-4 p. 41-47 is clearly wrong and does not provide any meaningful evidence to support placing any of the Non-Parties into receivership.

Even assuming hypothetically that the figures in Receiver Exhibit A-4 pp. 41-47 are accurate (they clearly aren't), those figures show only a minimal number of monthly transactions

between the Non-Parties and the Uncle Nearest Entities over the five-year period. **Exhibit 1** to this Response provides an analysis of Receiver Exhibit A-4 pp. 44-47, and shows that, if the analysis is limited to the transactions occurring between the Non-Parties and the Receivership Entities, the total transactions are 84 (at most) and equate to an average total of less 1.4 transactions per month between the Non-Parties and the Receivership entities. That is 1.4 transactions per month between seven Non-Parties and five Receivership Entities. To break that down further, there are twelve total entities being analyzed, **so the total average identified transactions per month for each of the twelve entities is .12 – or less than one transaction per year per entity.** Even if the Receiver had proof that the transactions constitute “commingling” (he doesn’t), that volume of transactions doesn’t even come close to the volume that would be necessary to support the imposition of the extreme relief of receivership.⁸

With respect to Humble Baron specifically, the Receiver has identified, at most, 36⁹ transactions between Humble Baron and the Receivership Entities over five years. That amounts to **less than one transaction between the entities per month.** Considering that Humble Baron operates on the premises of the Nearest Green Distillery, the sparseness of the transactions clearly shows that there is no possible level of commingling that would support imposition of receivership. Furthermore, the Receiver’s numeric narrative ignores the operating reality that Humble Baron is required by law to be separate from Uncle Nearest.

The Receiver has further not demonstrated that putting Humble Baron in Receivership is necessary for any investigation he intends to undertake at the expense of Uncle Nearest. It should be noted that the Receiver and his professionals have now charged the estate more than \$2.3

⁸ Further, **Exhibit 1** shows that Uncle Nearest was a net beneficiary of the transactions in the amount of approximately \$17 million, so it can’t reasonably be argued that the Uncle Nearest Entities were harmed by the transactions.

⁹ The Receiver’s Ex. A-4 pp. 46-47 are inconsistent – one indicates 24 total transactions and the other indicates 36 total transactions.

million to administer this case and have found literally no legitimate evidence that would support a commingling or alter ego determination. Rather, the Receiver and Farm Credit simply assert that the number of transactions between the entities, with no analysis of any specific transactions, to support their position.

While the Receiver argues on the one hand that the number of transactions evidences commingling, he then argues that the absence of transactions is also evidence of commingling. In fact, neither of those sides of the same coin evidence commingling. They just evidence operating businesses that transact with each other. Just because the Uncle Nearest Entities may transact with Amazon or Sysco regularly, does not mean that Amazon and Sysco are alter egos of the Uncle Nearest Entities.

Both the Receiver and Farm Credit cite to correspondence from Humble Baron to Nearest Green Distillery indicating that the transactions should be treated as “intercompany” as evidence supporting a commingling or alter ego argument.¹⁰ In fact, it supports the opposite conclusion that the entities are indeed separate companies. Both the Receiver and Farm Credit apparently don’t understand the difference between “intercompany” and “intracompany.” The definition of “intercompany” is “occurring or existing between two or more companies.”¹¹ On the other hand, the definition of “intracompany” is “occurring within or taking place between branches or employees of a company.”¹² Clearly, the reference to “intercompany” supports the conclusion that Humble Baron and Nearest Green Distillery were being treated as separate companies. The reference in the email to netting of the due to’s and due from’s between the two companies is a common practice where two separate companies both provide goods and services, and receive

¹⁰ See Plaintiff’s Supplemental Exhibit 11 at 1.

¹¹ Intercompany, <https://www.merriam-webster.com/dictionary/intercompany>.

¹² Intracompany, <https://www.merriam-webster.com/dictionary/intracompany>.

goods and services, from each other. The practice of netting accounts receivable and accounts payable between two companies is not evidence of commingling or an alter ego relationship.

In sum, the Receiver and Farm Credit have failed to provide any legitimate evidence that Humble Baron has commingled funds with those of the Uncle Nearest Entities or that Humble Baron is an alter ego of the Uncle Nearest Entities. The pendency of this Motion to Clarify, where there is literally no evidence to support it, has caused and is continuing to cause serious and irreparable harm to Humble Baron and the other Non-Parties.

WHEREFORE, Humble Baron respectfully requests that the Court decline to expand the receivership to include Humble Baron or its assets and grant such other and further relief as is appropriate.

Respectfully submitted,

MANIER & HEROD, P.C.

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CERTIFICATE OF SERVICE

I hereby certify that on March 5, 2026, the foregoing document was served on all parties registered to receive electronic notice via the Court's CM/ECF system.

/s/ Michael E. Collins

Michael E. Collins

Uncle Nearest, Inc.
Analysis of Receiver Exhibit A-4

Analysis of Receiver Exhibit A-4 p. 46

Total Number of Transactions Listed by Receiver (Five year period)	434
Less transactions solely between Non-Parties	(173)
Less transactions solely between Receivership Entities	(163)
Less "Account Not Provided" transactions	(15)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	83
Average transactions per month between Receivership Entities and Non-Parties	1.38

Analysis of Receiver Exhibit A-4 p. 47

Total Number of Transactions Listed by Receiver (Five year period)	498
Less transactions solely between Non-Parties	(311)
Less transactions solely between Receivership Entities	(96)
Less "Account Not Provided" transactions	(7)
Adjusted transactions between Receivership Entities and Non-Parties (Five year period)	84
Average transactions per month between Receivership Entities and Non-Parties	1.40

Net Cash Received from Transactions by Receivership Entities	Payments to Receivership	Payments from	Net Receipts by Receivership
	Entities	Receivership Entities	Entities
4 Front Street LLC	\$ 25,000	\$ 39,000	\$ (14,000)
"Account Not Provided"	1,332,533	1,399,904	\$ (67,371)
Classic Hops Inc.	-	-	\$ -
Grant Sidney	-	-	\$ -
Grant Sidney/UNI	16,690,231	-	\$ 16,690,231
Humble Baron	121,250	509,943	\$ (388,693)
Nashwood	400	212,500	\$ (212,100)
Quill and Cask Owner	1,804,950	10,400	\$ 1,794,550
Shelbyville Barrel House	3,900	-	\$ 3,900
Shelbyville Grand	-	130,000	\$ (130,000)
Net Cash Received by Uncle Nearest Entities	\$ 19,978,264	\$ 2,301,747	\$ 17,676,517

This shows that the aggregate transactions in dollars favored the Receivership Entities by more than \$17 million.