UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT WINCHESTER

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

ORDER

Before the Court is Defendant Fawn Weaver, Defendant Keith Weaver, and Non-Party Grant Sidney, Inc.'s (collectively "Movants") Emergency Motion for Limited Relief from the Receivership Stay to File Responsive Pleadings and Proceed to Judgment [Doc. 80]. For the following reasons, the Motion [Doc. 80] is **DENIED AS MOOT**.

I. BACKGROUND

This is a breach of contract action involving a receivership. On July 28, 2025, Plaintiff Farm Credit Mid-America, PCA sued Defendants Uncle Nearest, Inc., Nearest Green Distillery, Inc., Uncle Nearest Real Estate Holdings, LLC, Fawn Weaver, and Keith Weaver for the alleged breach of a credit agreement and attendant loan documents. [Doc. 1]. Alongside the complaint, Farm Credit filed a motion requesting the Court appoint a receiver to oversee Defendants Uncle Nearest, Inc., Nearest Green Distillery, Inc., and Uncle Nearest Real Estate Holdings, LLC (collectively the "Defendant Companies") as this case progressed. [Doc. 3]. On July 29, 2025, the Court scheduled Farm Credit's motion to be heard on August 7, 2025, and directed Farm Credit to provide notice of the hearing to the Defendants. [Doc. 12]. Counsel for the Defendants entered an appearance on July 30, 2025. [Doc. 13].

No party moved to continue the August 7th hearing. Accordingly, the hearing was held as scheduled. [Doc. 26]. At the hearing, Farm Credit presented evidence and testimony tending to show, among other things, that the Defendant Companies had defaulted on their contractual obligations and that there was a material risk they lacked sufficient assets to pay any judgment that Farm Credit might receive should it ultimately prevail on its breach of contract claim.[1] Defendants largely did not dispute Farm Credit's presentation of the facts, instead focusing their arguments on their position that a receivership would do more harm than good and that the Court could protect Farm Credit's interests through less intrusive means. [*See generally* Doc. 30]. The Court took Farm Credit's motion under advisement.

After considering the evidence and testimony presented at the August 7th hearing alongside the other information in the record, the Court granted Farm Credit's motion. [Doc. 32]. The Court then directed the parties to submit additional briefing regarding who should be appointed as receiver. [*Id.* at 10–11]. Ultimately, the Court selected the Defendants' proposed candidate, Phillip G. Young, Jr., ("Receiver") to serve as receiver for the Defendant Companies.[2] [Doc. 39 at ¶ 1].

Several weeks into his tenure, the Receiver filed a Motion for Clarification of Receivership Order asking the Court to clarify whether ten entities related to the Defendant Companies, including Grant Sidney, Inc., fell within the scope of the receivership. [Doc. 41]. This motion remains pending, and the proceedings related to it have been temporarily stayed pursuant to an agreed order proposed by the Receiver, Farm Credit, and the ten entities. [Doc. 79].

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[1] A more-detailed explanation of what the evidence and testimony showed and tended to show can be found in the Court's August 14, 2025, Memorandum Opinion and Order granting Farm Credit's motion for the appointment of a receiver. [*See generally* Doc. 32].

[2] As the Court noted in its Order granting the Receiver's Motion to Strike, the Receiver represents the Defendant Companies in this litigation. [Doc. 89]. For the avoidance of any doubt, whenever the Court refers to the parties generally or to the Defendant Companies, it is with the understanding that the Receiver represents the interests of the Defendant Companies in this litigation.

On November 24, 2025, the Movants filed the instant Motion asking the Court to lift the stay imposed by the Order Appointing Receiver so this matter can proceed towards judgment. [Doc. 80]. The Receiver and the Defendant Companies oppose the Motion. [Doc. 83]. Farm Credit agrees with the concerns raised by the Receiver but does not otherwise oppose this action proceeding towards judgment provided that every defendant is on the same litigation schedule.[3] [Doc. 85]. No replies were filed as they were not permitted by the Court. [Doc. 81]. Accordingly, the Motion is ripe for review.

II. LAW AND ANALYSIS

The Motion is premised on the idea that the anti-litigation injunction found at paragraph 12 of the Order Appointing Receiver [Doc. 39] applies to these proceedings. [*See generally* Doc. 80]. As this premise is incorrect and these proceedings are not currently stayed, the Motion [Doc. 80] will be denied as moot.

When the Court appointed the Receiver, it also enjoined other individuals and entities from interfering with the administration of the receivership estate. [Doc. 39 at ¶ 12]. Specifically, the Court ordered the following:

> All persons or entities, including employees, agents, creditors, banks, investors, shareholders, officers, directors, subsidiaries, affiliates, owners or others, with actual or constructive notice of this Order, are enjoined and restrained from in any way disturbing, interfering or affecting the Receivership Assets or the administration of the receivership estate. This includes, without limitation, prosecuting, initiating or continuing any actions or proceedings, enforcing judgments, perfecting liens; pursuing actions or proceedings against the Receiver and the Receiver Representatives, designed to collect their debts or which in any way involve the Receiver or the Receiver Representatives or which affect the Receivership Assets, to the extent that the same would interfere with or disturb these receivership proceedings, without the permission and approval of this Court;

[3] The Weavers, as the majority directors of Defendant Uncle Nearest, Inc., also responded to the Motion. [Doc. 86]. The Court struck this response from the record as improperly filed. [Doc. 89]. Accordingly, it is not discussed further nor was it considered in the Court's resolution of the instant Motion.

> provided, however, that nothing herein shall preclude any party with standing from seeking relief from this Order on proper application and after notice and a hearing. Any actions in violation of this paragraph shall be null and void as acts in contravention of this Order. This injunction is intended to function in a manner consistent with the protections afforded by the automatic stay under 11 U.S.C. § 362.

[*Id.*]. The Movants interpret this language broadly, believing it to have stayed these proceedings. [*E.g.*, Doc. 80 at ¶ 6]. In reaching this conclusion, however, the Movants fail to give effect to the injunction's final sentence which states that it "is intended to function in a manner consistent with the protections afforded by the automatic stay under 11 U.S.C. § 362." Looking to the scope of 11 U.S.C. § 362, it is apparent this litigation is not stayed.

The scope of the automatic stay under 11 U.S.C. § 362 "is broad and operates to enjoin essentially any act, whether the commencement or continuation thereof, by a creditor to collect on a prepetition claim." *In re Russell*, 441 B.R. 859, 861 (Bankr. N.D. Ohio 2010). Despite this broad scope, however, "the stay does not operate against the court with jurisdiction over the bankrupt." *Kerney v. Capital One Fin. Corp. (In re Sims)*, 278 B.R. 457, 471 (Bankr. E.D. Tenn. 2002) (quoting *Robert Christopher Assocs. v. Franklin Realty Group, Inc. (In re FRG, Inc.)*, 121 B.R. 710, 714 (Bankr. E.D. Pa. 1990)). As a practical matter, this has the effect of freezing the pieces on the board such that the bankruptcy court can administer a debtor's estate without outside interference. The Court's injunction functions in a similar way.

The Court's goal in enjoining other people and entities "from in any way disturbing, interfering or affecting the Receivership Assets or the administration of the receivership estate" was—like with the automatic stay under 11 U.S.C. § 362—to freeze the pieces on the board. [*See* Doc. 39 at ¶ 12]. The Court intended to pause other potential litigation so (i) the Receiver could

focus on maximizing the value of the Receivership Assets[4] without the distraction of defending against multiple lawsuits and (ii) the parties could focus their efforts on litigating this action without fear that other claimants would drag the Defendant Companies into far-flung courts hoping to raid the Receivership Assets before this case concluded. If the Court stayed this action, then it would be directly undercutting this latter subgoal. Rather than freeze the pieces on the board so that it could oversee the efficient litigation of this case, the Court would just be freezing this case indefinitely. This would be illogical, particularly when considering that a receivership is not an end in itself but rather merely a means by which to ensure a plaintiff can recover should it ultimately prevail on a separate claim (in this case, breach of contract). *N.Y. Cmty. Bank v. Sherman Ave. Assocs., LLC*, 786 F. Supp. 2d 171, 175 (D.D.C. 2011) ("The court may appoint a receiver as an ancillary, provisional action in connection with a pending matter, but a federal court of equity will not appoint a receiver where the appointment is not ancillary to some form of final relief." (internal quotation marks and alterations omitted)). Accordingly, just at the automatic stay under 11 U.S.C. § 362 does not apply to the bankruptcy proceedings that trigger the automatic stay, the Court's anti-litigation injunction does not apply to this action. The Motion [Doc. 80] is therefore moot.

The Court was under the impression the parties understood this action was not stayed and that the only reason this action had not progressed was because the parties agreed to delay litigating the underlying claims until a later date. [Doc. 67 at ¶ 3 (stipulating that "[t]he deadline for the Defendants to answer the Complaint will be a date determined by the Parties by mutual agreement in writing and without further order of this Court")]. To the extent this impression was incorrect,

[4] "Receivership Assets" is defined in paragraph 2 of the Order Appointing Receiver. [Doc. 39 at ¶ 2].

the Court now clarifies that this action is not and was never intended to be subject to the injunction found at paragraph 12 of the Order Appointing Receiver. That said, while the appointment of the Receiver did not stay this action, it does affect the schedule on which it must be litigated.

The Defendant Companies were in troubled waters when the Receiver was given the helm. He has made commendable strides in setting these companies on a better course, but challenges remain. [*See generally* Doc. 46]. The Court is unwilling to undermine the Receiver's efforts by forcing him into an aggressive litigation schedule that prevents him from guiding the Defendant Companies to safe harbor while this action progresses. Accordingly, and to promote the cooperation envisioned by the parties' prior stipulation [Doc. 67], the Court will direct the parties and the Receiver to confer regarding a litigation schedule that would allow this action to be expeditiously litigated while still affording the Receiver the time he needs to effectively administer the receivership estate.

III. CONCLUSION

For the foregoing reasons, the Court hereby **ORDERS** the following:

1. The Emergency Motion for Limited Relief from the Receivership Stay to File Responsive Pleadings and Proceed to Judgment [Doc. 80] is **DENIED AS MOOT**.
2. The parties are **ORDERED** to confer and file a joint status report on or before **January 30, 2026**. The status report **SHALL** set forth a proposed schedule for the orderly progression of this litigation, one which allows the underlying claims to be litigated without unduly interfering with the Receiver's administration of the receivership estate. The conferral requirement cannot be satisfied by written correspondence. The parties **SHALL** confer in person, telephonically, or virtually, in a format that permits real-time verbal communication. The status report **SHALL** include a certification that the parties

have complied with this Order.

3. For the avoidance of any doubt, nothing in this Order shall be construed as preventing the Receiver from taking any action authorized by the Order Appointing Receiver [Doc. 39] prior to the Court's entry of a Scheduling Order or setting any other deadlines in this case.

SO ORDERED.

/s/ Charles E. Atchley, Jr.
CHARLES E. ATCHLEY, JR.
UNITED STATES DISTRICT JUDGE

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EASTERN DISTRICT OF TENNESSEE
AT WINCHESTER

FARM CREDIT MID-AMERICA, PCA,	)	
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UNCLE NEAREST, INC., *et al.*,	)	Magistrate Judge Steger
	)	
Defendants.	)	

ORDER

Before the Court is Phillip G. Young, Jr.'s ("Receiver") Motion to Strike [Doc. 87] requesting the Court strike the "Directors' Response in Support of Emergency Motion for Limited Relief from the Receivership Stay to File Responsive Pleadings and Proceed to Judgment" [Doc. 86] ("Directors' Response"). For the following reasons, the Motion to Strike [Doc. 87] is **GRANTED**. The Court will **DIRECT** the Clerk to strike the Directors' Response [Doc. 86] from the record. The Court will further **DIRECT** the Clerk to strike Mainer & Herod, P.C.'s Notice of Appearance on behalf of Defendants Uncle Nearest, Inc., Nearest Green Distillery, Inc., and Uncle Nearest Real Estate Holdings, LLC [Doc. 84] for the reasons stated herein.

I. BACKGROUND

This is a breach of contract action involving a receivership. Relevant to the Motion to Strike, Defendant Fawn Weaver, Defendant Keith Weaver, and Non-Party Grant Sidney, Inc., filed an Emergency Motion for Limited Relief from the Receivership Stay to File Responsive Pleadings and Proceed to Judgment ("Motion to Lift Stay") on November 24, 2025. [Doc. 80]. The next day, the Court ordered expedited briefing on the Motion to Lift Stay. [Doc. 81]. Specifically, the Court ordered Defendants Uncle Nearest, Inc., Nearest Green Distillery, Inc., and Uncle Nearest Real

Estate Holdings, LLC (collectively the "Defendant Companies"), and Plaintiff Farm Credit Mid-America, PCA to respond to the Motion to Lift Stay on or before December 2, 2025. [*Id.*]. The Court further permitted, but did not require, the Receiver to file a separate response by this date. [*Id.*]. Finally, the Court informed the parties that "[r]eplies [were] neither necessary nor permitted." [*Id.*].

The Receiver responded to the Motion to Lift Stay on both his and the Defendant Companies' behalf on November 26, 2025. [Doc. 83]. Despite this and the Receiver's clearly expressed position that only he can represent the Defendant Companies' interests in this litigation, [*see id.* at 1 n.1], the Weavers' counsel, Mainer & Herod, P.C., entered a Notice of Appearance on behalf of the Defendant Companies on December 1, 2025, [Doc. 84]. The Weavers, acting as "the majority directors…of Defendant Uncle Nearest, Inc., which is the sole owner of Nearest Green Distillery, Inc., and Uncle Nearest Real Estate Holdings, LLC," retained Mainer & Herod to represent the Defendant Companies after interpreting the Court's statement that the Receiver could respond separately to the Motion to Lift Stay as meaning the Court did not intend to vest the power to represent the Defendant Companies' interests in this litigation in the Receiver. [Doc. 86 at 1 n. 1, 4 ¶ 4]. After Mainer & Herod entered its Notice of Appearance, the Receiver again stated that only he could represent the Defendant Companies' interests in this litigation. [*See id.*].

The following day, December 2, 2025, the Weavers—again acting as the majority directors of Defendant Uncle Nearest, Inc.—filed a "response" to the Motion to Lift Stay (i.e., the Directors' Response). [Doc. 86]. They represented the Directors' Response was filed on their behalf as the majority directors of Defendant Uncle Nearest, Inc., rather than on behalf of the Defendant Companies, based on the Receiver's position that only he could represent the Defendant Companies' interests in this litigation. [*Id.* at 1 n.1, 4 ¶ 4]. They further represented that if

Defendant Uncle Nearest, Inc.'s board of directors was "authorized to direct the actions of the [Defendant Companies]," the Directors' Response would represent the Defendant Companies' position. [*Id.* at 1 n.1]. As for the substance of the Directors' Response, it was a point-by-point reply to the arguments raised by the Receiver in response to the Motion to Lift Stay. [*See* Docs. 83, 86].

The Receiver subsequently moved to strike the Directors' Response, arguing it was nothing more than an impermissible reply. [Doc. 87]. The Weavers, again as majority directors, responded in opposition. [Doc. 88]. The Receiver did not reply to this response, and Farm Credit did not file anything in relation to the Motion to Strike. Accordingly, the Motion to Strike is ripe for review.

II. LAW AND ANALYSIS

Before addressing the merits of the Motion to Strike, however, the Court finds it prudent to first resolve the issue that seemingly precipitated the Directors' Response: who may represent the Defendant Companies' interests in this litigation. The answer is simple, the Receiver. In the Order Appointing Receiver, the Court vested the Receiver with all the powers of the Defendant Companies' officers, directors, members, and/or managers to take any and all actions on behalf of the Defendant Companies. [Doc. 39 at ¶ 9]. The Court further explicitly authorized the Receiver to pursue any legal claims the Defendant Companies may have as well as defend against any claims currently pending or later initiated against the Defendant Companies. [*Id.* at ¶ 10(g)]. Taken together, these provisions clearly provide that only the Receiver may represent Defendant Companies' interests in litigation, including this case. [*See id.* at ¶¶ 9, 10(g)].

The Weavers read too much into the Court permitting, but not requiring, the Receiver to file a separate response to the Motion to Lift Stay. This was not, as the Weavers claim, a "recognition that the [Defendant Companies] respond through their Board of Directors." [Doc. 88

at ¶ 2]. Rather, it was merely a recognition that the Receiver speaks on behalf of both the Defendant Companies and himself as receiver, and there may be times where a response on behalf of one or the other is all that is necessary. For example, when the Receiver files his quarterly reports, he does so solely on his own behalf as receiver. In contrast, when it comes time for the Defendant Companies to file their answers in this litigation, those answers will be filed on behalf of only the Defendant Companies even though the Receiver will be the one overseeing their defense. Regarding the Motion to Lift Stay, the Court required the Defendant Companies to respond (under the Receiver's direction) because they are the defendants in this action and the entities that will defend against Farm Credit's claims. At the same time, the Court recognized the Receiver might wish to address separate arguments pertaining specifically to the administration of the receivership estate and wanted to provide him an opportunity to raise these arguments in a separate brief if he determined such was appropriate. That is why the Court permitted, but did not require, the Receiver to file a separate response, nothing more, nothing less.[1]

Because only the Receiver may represent the Defendant Companies' interests in this litigation, Mainer & Herod can only represent the Defendant Companies if the Receiver retains the firm for this purpose. [*See* Doc. 39 at ¶¶ 9–10]. As the record demonstrates the Receiver did not retain Mainer & Herod, [*see* Doc. 86 at 1 n.1, 4 ¶ 4], the Court will direct the Clerk to strike Mainer & Herod's Notice of Appearance on behalf of the Defendant Companies [Doc. 84]. *See, e.g.*, *Dietz v. Bouldin*, 579 U.S. 40, 47 (2016) ("[D]istrict courts have the inherent authority to manage their dockets and courtrooms with a view toward the efficient and expedient resolution of cases.");

[1] Should the Weavers or any party have questions regarding the Court's intent going forward, the Court encourages them to file a motion for clarification prior to taking any substantive action. This would allow the Court to efficiently resolve any questions as to its intent while mitigating the risk of these proceedings being unnecessarily multiplied.

Derby v. Pleasant Beach Mobile Home Resort, LLC, No. 1:25-CV-11324-TGB-PTM, 2025 LX 220347, at *13 (E.D. Mich. July 17, 2025) ("Courts may strike irrelevant, abusive, or otherwise improper materials from the docket."). This resolved, the Court now turns to the Receiver's Motion to Strike.

The Motion to Strike will be granted because the Directors' Response was improperly filed regardless of how it is construed. To the extent the Weavers hoped the Directors' Response would be construed as representing the Defendant Companies' position on the Motion to Lift Stay, [*see* Doc. 86 at 1 n.1], only the Receiver may represent the Defendant Companies' interests in this litigation for the reasons discussed above. To the extent the Directors' Response is construed as being brought on behalf of the Weavers as defendants in this action, it is nothing more than an impermissible reply as noted by the Receiver. [*See* Doc. 87]. And to the extent the Weavers have legal standing to participate in this litigation separately as "the majority directors of Defendant Uncle Nearest, Inc.," the directors of Defendant Uncle Nearest, Inc., whether individually or collectively as the board of directors, are not parties to this litigation.[2] Therefore, they have no more right to file a response to any motion than does, for example, Tennessee Distilling Group, LLC. Accordingly, the Directors' Response is improper regardless of how it is construed and will therefore be stricken. *See, e.g.*, *Dietz*, 579 U.S. at 47; *Derby*, 2025 LX 220347, at *13

III. CONCLUSION

For the foregoing reasons, the Court hereby **ORDERS** the following:

1. The Receiver's Motion to Strike [Doc. 87] is **GRANTED**;

[2] For the avoidance of any doubt, the Court is not stating whether the directors of Defendant Uncle Nearest, Inc., either individually or collectively as the board of directors, may participate in this litigation separately from the Defendant Companies. Rather, the Court is stating that to the extent such a right may exist, the directors (or board) would first need to become parties to this litigation before they could respond to motions.

2. The Clerk is **DIRECTED** to strike the "Directors' Response in Support of Emergency Motion for Limited Relief from the Receivership Stay to File Responsive Pleadings and Proceed to Judgment" [Doc. 86] from the record;
3. The Clerk is **DIRECTED** to strike Mainer & Herod, P.C.'s Notice of Appearance on behalf of the Defendant Companies [Doc. 84] from the record; and
4. Nothing in this Order shall be construed as limiting the scope of the Receiver's powers and/or obligations as set forth in the Order Appointing Receiver [Doc. 39].

SO ORDERED.

/s/ Charles E. Atchley, Jr.
CHARLES E. ATCHLEY, JR.
UNITED STATES DISTRICT JUDGE