

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF KENTUCKY  
LEXINGTON DIVISION**

In re: Lexington Blue, Inc.  
Debtor

Case No. 25-50863  
Chapter 11 – Small Business Case  
Hon. Gregory R. Schaaf  
United States Bankruptcy Judge

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**MOTION TO COMPEL TURNOVER OF ESTATE PROPERTY  
ON SHORTENED NOTICE**

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Debtor in possession, Lexington Blue Inc., (the “Debtor”) moves pursuant to 11 U.S.C. § 542 for Alex Southwell to turnover personal property belonging to Debtor that is in Mr. Southwell’s possession, custody, or control. Property of the bankruptcy estate includes “all legal or equitable interests of the debtor in property” “wherever located and by whomever held[.]” 11 U.S.C. § 541(a). Pursuant to 11 U.S.C. § 542(a), anyone in possession of property of the estate “shall deliver to the trustee [or the Debtor in Possession] . . . such property.” 11 U.S.C. § 542(a). Alex Southwell is in possession of the following property, which belongs to the bankruptcy estate:

- (a) The company name and contact information, including email address of the primary contact with the company hired by Lexington Blue, Inc. to export all Acculynx related data and documents sometime in 2025, the “Transfer Agent.”
- (b) The link to the digital folder where the Acculynx records of the Debtor were maintained by Mr. Southwell, or saved by the Transfer Agent, (the “Acculynx Folder”) and access the Acculynx Folder, or a digital copy of the Acculynx Folder on a medium suitable for storing digital information of the nature and type of the records in question.
- (c) Administrator access to both QuickBooks Online instances maintained or used by Lexington Blue, Inc. during the period of Mr. Southwell employment with the Debtor.

Section 542(a) “requires an entity holding any property of the debtor that the [Debtor in Possession] can use under § 363 to turn that property over . . . .” *United States v. Whiting Pools, Inc.*, 103 S. Ct. 2309, 2314 (1983).

Debtor filed a motion under Fed. R. Bankr. P. 2004 to compel the production of the items listed herein and others. [ECF No. 142.] Mr. Southwell objected to Debtor's Rule 2004 Exam Motion [ECF No. 151] on grounds that have no basis in law or fact. Indeed, Mr. Southwell shared the information at issue in this motion with Debtor and the Kentucky Office of the Attorney General prior to the filing of the case. Importantly, Mr. Southwell has possession of the unredacted commercial information that may have already been disseminated to third parties to serve Mr. Southwell's personal interests. Moreover, Mr. Southwell, as the super administrator of the Lexington Blue QuickBooks instances, is in a position to alter records and reports, share Debtor's customer information, and undermine the work of the estate.

Here, Debtor requires the same information that Mr. Southwell shared with the KYOAG to amend its bankruptcy schedules and statements, and to audit the customer contracts before it can proceed with their assignment. Debtor has already established that the customer list and the contracts are commercial information, in which Debtor has legal title and an equitable interest. Debtor cannot be certain of Mr. Southwell's motives for refusing to the return property of the estate. Regardless, § 542(a) is self-executing and Mr. Southwell should be required to abide by the Bankruptcy Code.

**WHEREFORE**, Debtor requests an order compelling Mr. Southwell to turnover the aforementioned property to Debtor within not less than three (3) days from the entry of an order substantially similar to that filed contemporaneously herewith.

### HEARING ON SHORTENED NOTICE

**TAKE NOTICE:** The foregoing motion was scheduled for a hearing on shortened notice for Thursday, August 7, 2025 at 9:30 am, before the Bankruptcy Court for the Eastern District of Kentucky, Community Trust Building, 100 East Vine Street, 2<sup>nd</sup> Floor, Lexington, KY 40502. If Debtor's request to schedule the hearing on shortened notice is granted, parties will have until the date before the hearing to present their objection in a writing filed with the Court. The Court may enter an order without further notice, hearing, or opportunity to object if no objection is presented.

Respectfully,

/s/ J. Christian Dennery

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Attorney for Debtor and Debtor in Possession

### CERTIFICATE OF SERVICE

The foregoing was served electronically through the Court's ECF System to all parties registered to receive notices in the above captioned case, and via regular first-class mail or electronic notice the following parties:

Mark Zoolalian  
400 South Main St.  
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/s/ J. Christian Dennery

J. Christian A. Dennery, esq.

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF KENTUCKY  
LEXINGTON DIVISION**

In re	:	Case No. 25-50863
Lexington Blue, Inc.	:	Chapter 11
Debtor	:	Small business case
	:	
	:	Hon. Gregory Schaaf
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**ORDER ON MOTION TO COMPEL TURNOVER OF ESTATE PROPERTY**

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This matter has come before the Court on Debtor's Motion to Compel Turnover of Estate Property. The Court having reviewed the matter, having seen no objections or overruling any objections, and having been sufficiently advised;

it is **ORDERED THAT:**

1. Debtor's motion is **GRANTED**.
2. Mr. Southwell is compelled to turnover to Debtor the following within three (3) days of the entry of this Order:
  - (a) The company name and contact information, including email address of the primary contact with the company hired by Lexington Blue, Inc. to export all Acculynx related data and documents sometime in 2025, the "Transfer Agent."
  - (b) The link to the digital folder where the Acculynx records of the Debtor were maintained by Mr. Southwell, or saved by the Transfer Agent, (the "Acculynx Folder") and access the Acculynx Folder, or a digital copy of the Acculynx Folder on a medium suitable for storing digital information of the nature and type of the records in question.
  - (c) Administrator access to both QuickBooks Online instances maintained or used by Lexington Blue, Inc. during the period of Mr. Southwell employment with the Debtor.

**SO ORDERED,**