

**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
	:	United States Bankruptcy Judge

**DEBTOR'S MOTION FOR AN ORDER EXTENDING THE TIME TO
MAINTAIN EXISTING BANK ACCOUNTS UNTIL JULY 15, 2025**

Lexington Blue, Inc. ("Debtor," "Debtor in Possession," or "LB"), by and through counsel, hereby requests the entry of an order extending the time to maintain existing bank accounts until July 15, 2025. Below is a memorandum in support of Debtor's motion.

NOTICE AND OPPORTUNITY TO OBJECT

TAKE NOTICE that a hearing on the foregoing is scheduled to be held on Tuesday, July 15, 2025 at 9:00 am at the U.S. Bankruptcy Court for the Eastern District of Kentucky, Community Trust Building, 100 East Vine Street, 2nd Floor, Lexington, KY 40507.

PLEASE TAKE FURTHER NOTICE: Any objections to Debtor's request for an extension should be filed prior to the hearing, or made at the time of the hearing, or as the Court permits. If you do not object to the request for an extension, the Court may enter an order without further notice or opportunity to object.

Respectfully,

/s/ J. Christian Dennery

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Proposed Attorney for Debtor and Debtor in Possession

MEMORANDUM

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this motion pursuant to 28 U.S.C. §§157 and 1334. This matter is a core proceeding as defined in 28 U.S.C. §157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409. The statutory bases for the relief requested herein are 11 U.S.C. § 105.

BASIS FOR RELIEF

2. Debtor presently maintains three deposit accounts with Fifth Third Bank with account numbers ending in 3897, 2313, and 1008. As of April 30, 2025, only \$10.00 were on deposit in account ending 3897; the other two accounts show negative balances. Debtor has not generated any sales and has not conducted any transactions through the three deposit accounts, or any other account since April 30, 2025.

3. Debtor has not received or maintained any funds during the pendency of this case. Debtor does not intend to hire or retain any management or officers and therefore will not need to open a DIP Payroll Account. Nor does Debtor expect that it will incur any tax liabilities given that it will not be transacting any business with the general public for the foreseeable future.

4. On June 26, 2025, the Court granted Debtor's request to maintain existing bank accounts, through July 7, 2025 [ECF No. 51].

5. Prior to the filing of the petition, The KY Office of the Attorney General obtained a temporary restraining order freezing Lexington Blue, Inc.'s assets and those of its corporate representative, Brad Pagel. (The "TRO"; See Exhibit 1, entered in Fayette Circuit Court Case No. 25-CI-02230).

6. Although not named as a defendant in the case or the subject of the TRO, Mrs. Pagel's financial accounts were also frozen on or about July 2, 2025.

7. The lack of access to any funds, coupled with Mrs. Pagel's inability to communicate with management at the financial institution where her deposits are held due to the holiday, sowed significant consternation and confusion over the last week.
8. Undersigned counsel did not do a good job of clarifying Debtor's duty to open new DIP accounts. Nor did counsel have time to research whether or how the TRO would affect Debtor's ability to do so.
9. Debtor believes that it has identified a bank, which is included in the United States Trustee's list of authorized depositories that has experience with DIP accounts and that may be willing to open a DIP account for Lexington Blue, Inc. despite the TRO.
10. Debtor needs until July 15, 2025, to visit a branch in Lexington.

Based on the foregoing, Debtor in possession respectfully requests the entry of an order authorizing Debtor to maintain its existing deposit account until July 15, 2025.

Respectfully,

/s/ J. Christian Dennery

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Proposed Attorney for Debtor and Debtor in Possession

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served electronically on all parties registered to received electronic notices in the case through the Court's ECF system.

/s/ J. Christian Dennery

COMMONWEALTH OF KENTUCKY
FAYETTE CIRCUIT COURT
DIVISION SEVEN
CIVIL ACTION NO. 25-CI-02230
Electronically Filed

COMMONWEALTH OF KENTUCKY
ex rel. RUSSELL COLEMAN, ATTORNEY GENERAL

PLAINTIFF

v. **TEMPORARY RESTRAINING ORDER**

LEXINGTON BLUE, INC., et al.

DEFENDANTS

*** **

This matter having come before the Court on the Commonwealth's Motion for Temporary Restraining Order, and the Court being otherwise sufficiently advised, the Court hereby **GRANTS** the Commonwealth's Motion and Orders the following:

1. Lexington Blue, Inc., Bradly Pagel, Jr., Alex Southwell, and the Defendants, Lexington Blue Lexington LLC, Lexington Blue Louisville LLC, Lexington Blue Cincinnati LLC, Lexington Blue University LLC, Lexington Blue University, Inc., Lean Dad Development LLC, Wide Awake Consulting, LLC, and The GroundzKeeper LLC (hereinafter "Shell Entities"), and any of their agents, employees, and those acting in active concert or participation with them shall hereafter be enjoined and restrained from doing the following, either directly or indirectly, until further order of this Court:
 - a. Engaging in the construction or roofing business at 287 Pasadena Dr., Lexington, Kentucky or any other location in the Commonwealth. This prohibition includes advertising or soliciting any business related to construction or roofing in Kentucky. This prohibition also includes entering into any new contracts, agreements, or understandings with Kentucky consumers or other businesses with related pending contracts.

- b. Requesting, demanding, or receiving additional money from current customers on current projects; and
 - c. Disposing of or concealing any documents or evidence associated with Bradley Pagel Jr. and the Shell Entities.
2. The Kentucky Office of the Attorney General may enter upon the premises of Lexington Blue, located at 287 Pasadena Dr., Lexington, Kentucky 40475 (“Premises”) for the following reasons:
- a. Removing, scanning (or copying), and later returning any files related to this action;
 - b. Removing, scanning (or copying), and later returning any electronic files and equipment located at the Premises, including the obtaining of passwords and usernames to access electronically stored records whether hosted locally or on a third-party server (such as an email or cloud service);
 - c. Taking photographs of any part of the Premises;
 - d. Identifying any individuals present at the Premises.
3. Additionally, if the Kentucky Office of the Attorney General becomes aware of other properties associated with the Defendants and the Shell Entities, it may enter upon said premises for the same purposes as described in Paragraph 2 so long as it first provides written notice to the Defendants and the Court prior to doing so.

ASSET FREEZE

IT IS FURTHER ORDERED that Lexington Blue, Bradly Pagel, Jr., Alex Southwell and the Shell Entities (collectively “Defendants”) are hereby temporarily restrained and enjoined from directly or indirectly:

1. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, consumer lists, or any other assets, or any interest therein, wherever located, including outside the United States, that are (1) owned or controlled, directly or indirectly, by any Defendant(s), in whole or in part, or held, in whole or in part for the benefit of any Defendant(s); (2) in the actual or constructive possession of any Defendant(s); or (3) owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Defendant(s), including, but not limited to, any assets under the name of any Defendant(s) at any bank, savings and loan institution, or bank of any Defendant(s), or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind;
2. Opening or causing to be opened any safe deposit boxes titled in the name of any Defendant(s), or subject to access by any Defendant(s);
3. Incurring charges or cash advances on any credit card, debit card, or checking card issued in the name, singly or jointly, of any Defendant(s);
4. Obtaining a personal or secured loan;

5. Incurring liens or encumbrances on real property, personal property or other assets
in the name, singly or jointly, of any Defendant(s); and

6. Cashing any checks from consumers, clients, or customers of any Defendant(s).

The assets affected by this Section shall include (a) all assets of the Defendants as of the time this
Order is entered.

IT IS SO ORDERED.



Judge Diane Minnifield
Fayette Circuit Court

Date

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

	:	Case No. 25-50863
In re	:	Chapter 11
Lexington Blue, Inc.	:	Small business case
Debtor	:	
	:	Hon. Gregory Schaaf
	:	United States Bankruptcy Judge

ORDER AUTHORIZING DEBTOR TO MAINTAIN EXISTING BANK ACCOUNTS

This matter having come before the Court on Debtor in Possession's Motion to extend the time to maintain its current bank accounts until July 15, 2025. Debtor in possession having shown that granting the motion is authorized by and consistent with §105 of the Bankruptcy Code; and the Court being sufficiently advised, it is ORDERED THAT:

1. Debtor's motion is GRANTED.
2. Debtor is authorized to maintain its current bank accounts until July 15, 2025.
3. Debtor shall open one new DIP account that comports with the Operating Guidelines and Reporting Requirements in Chapter 11 Cases for the Eastern District of Kentucky as promulgated by the Office of the U.S. Trustee.

SO ORDERED,