

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>In re:</b>  <b>COUNTRY FRESH HOLDING COMPANY INC., et. al.,<sup>1</sup></b>  <b>Debtors.</b>	§ § § § § §	<b>Chapter 7</b>  <b>Case No. 21-30574</b>  <b>Jointly Administered</b>
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**TRUSTEE'S APPLICATION TO EMPLOY  
HUGHES WATTERS ASKANASE, LLP AS GENERAL COUNSEL**

**TO THE HONORABLE MARVIN ISGUR, UNITED STATES BANKRUPTCY JUDGE:**

COMES NOW, Janet S. Northrup, the Chapter 7 Trustee (the “**Trustee**”) of the bankruptcy estate of Country Fresh Holding Company, Inc *et. al.* (“**Country Fresh**” or “**Debtors**”), Debtors in the above-styled Chapter 7 case (the “**Case**”), and files this *Application to Employ Hughes Watters Askanase, LLP as General Counsel* and would show the Court as follows.

1. On February 15, 2021, Country Fresh Holding Company, Inc et. al. (“**Country Fresh**” or “**Debtors**”), filed a Voluntary Petition for Relief under Chapter 11, Case No. 21-30574-H1-11.

2. The Debtors operated as a debtor-in-possession from February 15, 2021 until June 21, 2021, when the Court entered its order of conversion to Chapter 7—*Order (I) Authorizing and approving the Conversion of the Chapter 11 Cases, (II) Extending the Designation Rights Period,*

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<sup>1</sup> The Debtors in these Chapter 7 cases and the last four digits of each Debtors’ taxpayer identification number are as follows: Country Fresh Holding Company Inc. (7822); Country Fresh Midco Corp. (0702); Country Fresh Acquisition Corp. (5936); Country Fresh Holdings, LLC (7551); Country Fresh LLC (1258); Country Fresh Dallas, LLC (7237); Country Fresh Carolina, LLC (8026); Country Fresh Midwest, LLC (0065); Country Fresh Orlando, LLC (7876); Country Fresh Transportation LLC (8244) CF Products, LLC (8404) Country Fresh Manufacturing, LLC (7839); Champlain Valley Specialty of New York, Inc. (9030); Country Fresh Pennsylvania, LLC (7969); Sun Rich Fresh Foods (NV) Inc. (5526); Sun Rich Fresh Foods (USA) Inc. (0429); and Sun Rich Fresh Foods (PA) Inc. (4661). The Debtors’ principal place of business is 3200 Research Forest Drive, Suite A5, The Woodlands, TX, 77381.

and (III) *Granting Related Relief* [Docket No. 719] (the “**Conversion Order**”). Thereafter, Janet S. Northrup was appointed as the Chapter 7 Trustee.

3. Prior to conversion, on March 29, 2021, the Debtors sold their assets to Stellex/CF Buyer (US) LLC (the “**Buyer**”) pursuant to this Court’s *Order Authorizing Country Fresh Holdings Company Inc. and Its Affiliated Debtors to (I) Sell Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Authorizing and Approving the Debtors’ Performance under the APA, (III) Authorizing and Approving the Assumption and Assignment of Certain of the Debtors’ Executory Contracts, Unexpired Leases, And Permits Related Thereto, and (IV) Granting Related Relief* [Docket No. 437] (the “**Sale Order**”).

4. On April 29, 2021, pursuant to the Sale Order, the Debtors and Buyer entered into the Asset Purchase Agreement [Docket No. 659-2] (as may be amended, supplemented, or otherwise modified from time to time in accordance with its terms, together with all exhibits and schedules thereto, the “**APA**”).

5. Also on April 29, 2021, the Debtors and the Buyer entered into the Transition Services Agreement [Docket No. 659-3] (as may be amended, supplemented, or otherwise modified from time to time in accordance with its terms, together with all exhibits and schedules thereto, the “**TSA**”).

6. Applicant, as Trustee, wishes to employ the law firm of Hughes Watters Askanase, L.L.P. (the “**Law Firm**”) as attorneys for the Trustee, effective June 21, 2021. Heather McIntyre shall act as lead counsel for the Trustee and Wayne Kitchens and other attorneys employed by the Law Firm shall assist in the representation, including but not limited to those on **Exhibit “A”** attached hereto.

7. Applicant has determined to employ counsel in this case to assist in taking certain actions to facilitate the completion of the sale and transition of Debtors' businesses to the Buyer. The Trustee seeks authority to employ the Law Firm to (i) assist in this wind-down process as contemplated by the APA and TSA, and (ii) perform such other duties as are enumerated herein or as may be further authorized by the Court.

8. Applicant has also determined to employ counsel in this case to assist in non-routine sales of real and personal property, investigate the ownership of assets, assist on litigation related to insurance proceeds, investigate any potential litigation concerning claims related to the events that led to the Debtors filing bankruptcy, potentially including actions of the Debtors' former officers, directors, and management, investigate as to the post-conversion fraudulent diversion of funds by fraudulent or criminal means by unknown third parties, investigate and prosecute Chapter 5 causes of action, attend to tax issues including association with third-party counsel and professionals, coordinate with other professionals and former employees and management, and coordinate with governmental and regulatory authorities, and attend to other related duties as requested by the Trustee.

9. Applicant has selected the Law Firm for the reason that the Law Firm has had considerable experience in matters of this character and believes that the Law Firm is well qualified to represent Applicant in this case and, as such, retention of the Law Firm is in the best interest of the estate.

10. Ms. McIntyre has over 10 years of bankruptcy experience including representation of Chapter 7 and Chapter 11 trustees, debtors, and creditors. She has represented the Trustee on numerous occasions in an efficient and professional manner. Mr. Kitchens has over 35 years of bankruptcy experience and is Board Certified in Business Bankruptcy Law. He has represented

Chapter 7 and Chapter 11 trustees, debtors, creditors, and committees throughout his career. He has also served as an examiner and mediator. He estimates that he has negotiated and obtained court approval for more than 75 non-routine sales of estate property. He has represented the Trustee on many occasions over the last 25 years and he and the Trustee enjoy an efficient and productive working relationship.

11. Additionally, Steven Shurn, Alexander Perez, Michael Weems, Lauren Korshalla, and Christopher Agboli shall assist Ms. McIntyre in this case. Other attorneys employed by the Law Firm may also be called upon to assist to the extent their expertise is required.

12. There are a number of firms in the Houston area in whom the Trustee would have the confidence to represent her in this case. However, based upon experience, expertise and other reasons set forth herein, Applicant considers Hughes Watters Askanase, L.L.P. the best selection given the nature of this case and the Firm's expertise.

13. Applicant now requires the services of bankruptcy counsel to perform the duties of Trustee's general counsel. Applicant proposes that the law firm of Hughes Watters Askanase, L.L.P. shall perform the both the following professional services, and those described above, as applicable and necessary:

- a) to file pleadings with the Court and to represent the estate's interest in regard to any adversaries, appeals, or contested matters before this Court and litigation, mediation, and arbitration in other courts, particularly with regard to the estate's interest in various assets and the positions of PACA creditors, secured and unsecured creditors, and administrative claimants, whether by motion, adversary action, turnover proceedings, or litigation activities of every description in other courts;
- b) to analyze, institute and prosecute actions regarding determination and recovery of property of the estate, or of entities owned in whole or in part by the estate, including investigation and liquidation of foreign bank accounts, investigation and prosecution of determination and lien perfection, avoidance litigation as well as collection and liquidation of assets of the estate, to the extent such activities would be economically beneficial to the estate;

- c) to assist the Trustee where necessary to negotiate and consummate non-routine sales of the assets of the estate, to the extent such assets exist, wherever they may be found, including sales free and clear of liens, claims and encumbrances, and to institute any necessary proceedings in regard thereto;
- d) to institute and prosecute non-routine objections to proofs of claim;
- e) to co-ordinate activities with the United States Trustee as appropriate in connection with issues of the integrity of the bankruptcy courts and procedures;
- f) to aid in the representation of Applicant in any litigation against Applicant in Applicant's official capacity;
- g) to render legal advice and assistance with regard to matters involving taxation of the estate;
- h) to coordinate with outside counsel concerning insurance coverages, and whether insurance proceeds are property of the bankruptcy estate, including but not limited to claims for listeria coverage and for fraudulent or criminal diversion of estate funds;
- i) to coordinate with other case professionals and governmental and regulatory agencies;
- j) to collect any judgments that may be entered in favor of the estate; and
- k) to assist Applicant in such other respects as she may deem advisable and necessary.

14. The Law Firm has not represented the Debtors prior to or during this bankruptcy case. The Law Firm has represented the Trustee in multiple other cases in which she has been appointed as a trustee. The Law Firm has a process to check for conflicts of interest and other conflicts and connections with respect to the Debtors' bankruptcy case. The Law Firm maintains a database containing the names of current, former, and potential clients. The Law Firm has reviewed and analyzed the Law Firm's database, searching the last six years for the names of each of the creditors identified by the Debtors, counter-parties to executory contracts and leases, the Debtors and the parties in interest listed in the Debtors' schedules and statement of financial affairs in order to determine if any conflict of interest or other connection existed. Mr. Kitchens, along

with para-professional staff, personally reviewed all records pertaining to conflicts or connections. Except as disclosed below, to the best of Applicant's knowledge after diligent inquiry, the Law Firm has no connection with the Debtors, creditors, any other party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, except the following:

- a. In addition to Janet Northrup, the Law Firm routinely represents Chapter 7, Chapter 11 and Liquidating Trustees, including but not limited to Allison Byman, Randy Williams, Catherine Curtis, Chris Murray, Ron Sommers and Eva Engelhart in their capacities as Chapter 7 Trustees.

Thus, while connections may exist, the Law Firm submits that none of these connections rise to the level of a conflict.

15. The Law Firm represents no interest adverse to Applicant as Trustee or the estate and the Law Firm's employment is necessary and is in the best interest of the estate.

16. The Law Firm is a "disinterested person" within the meaning of 11 U.S.C. 101(14).

17. In the event the Applicant desires for the Law Firm to render any other services to her and the estate, she will make further application.

18. Applicant certifies that the Law Firm is not being employed to perform duties required to be performed by the Trustee. The Applicant has informed the Law Firm that if Trustee duties are performed, the Law Firm may not be compensated by the bankruptcy estate.

19. The Law Firm is being employed at the regular hourly rates of the attorneys who will represent the Trustee, which is the same hourly rate as the firm charges for such attorneys in other non-bankruptcy matters. Reimbursable expenses will be charged at the amounts incurred and no higher than the rates allowed by the Bankruptcy Local Rules of the Southern District of

Texas. Applicant certifies that no payment will be made to the Law Firm except on an order of this Court approving the fees and expenses incurred by the Law Firm.

**WHEREFORE**, Applicant prays that Applicant be authorized to employ and appoint, effective June 21, 2021 the law firm of Hughes Watters Askanase, L.L.P. to represent Applicant generally as Trustee in this case under Chapter 7 of the Bankruptcy Code and that Applicant have such other and further relief as is just.

DATE: July 15, 2021.

Respectfully submitted,

/s/ Janet Northrup

Janet Northrup, Chapter 11 Trustee

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**CHAPTER 7 TRUSTEE FOR THE ESTATE OF  
COUNTRY FRESH HOLDING COMPANY  
INC., et. al.**

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing *Application to Employ Counsel* was served on only the United States Trustee, by ECF notification on this the 15th day of July, 2021, as it is allowed to be submitted ex parte under BLR 9003.

/s/ Janet Northrup

Janet S. Northrup

**Exhibit “A”****Rates of Professionals to be Employed**

<b>Professional</b>	<b>Hourly Rate</b>
Heather McIntyre	\$475.00
Wayne Kitchens	\$575.00
Steven Shurn	\$535.00
Michael Weems	\$475.00
Alexander Perez	\$475.00
Lauren Korshalla	\$450.00
Christopher Agboli	\$390.00
David Kokenes (paralegal)	\$150.00
Lisa Slater (paralegal)	\$150.00
Law Clerks	\$120.00