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**SO ORDERED,**



A handwritten signature in dark ink, appearing to read "Selene D. Maddox".

**Judge Selene D. Maddox**

**United States Bankruptcy Judge**

**The Order of the Court is set forth below. The case docket reflects the date entered.**

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF MISSISSIPPI  
ABERDEEN DIVISION**

**IN RE:**

**UNITED FURNITURE INDUSTRIES, INC., *et al.*<sup>1</sup>**

**DEBTORS**

**CASE NO. 22-13422-SDM**

**Chapter 11**

**Jointly Administered**

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**TORIA NEAL, JAMES PUGH and  
KALVIN HOGAN, on Behalf of Themselves  
And All Others Similarly Situated**

**PLAINTIFF**

**V.**

**ADV. PROC. NO. 23-01005-SDM  
SUBSTANTIVELY CONSOLIDATED**

**UNITED FURNITURE INDUSTRIES, INC., *et. al.***

**DEFENDANTS**

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**PRETRIAL ORDER**

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<sup>1</sup> The Debtors in these Chapter 11 cases, and the last four digits of each Debtor's federal tax identification number, are as follows: United Furniture Industries, Inc. (2576); United Furniture Industries NC, LLC.(9015); United Furniture Industries CA, Inc. (9966); FW Acquisition, LLC (2133); Furniture Wood, Inc. (9186);United Wood Products, Inc. (1061); Associated Bunk Bed Company (0569); UFI Royal Development, LLC (8143); UFI Exporter, Inc. (6518); UFI Transportation, LLC (9471); and LS Logistics, LLC (7004).

1. A pretrial conference was held on April 22, 2025 at 1:00 p.m. at the Cochran United States Courthouse in Aberdeen, Mississippi before United States Bankruptcy Judge Selene D. Maddox.

2. The following counsel appeared:

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***Attorneys for Plaintiffs***

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***Attorney for Stage Capital, LLC, David A. Belford, individually and as the trustee for the Separate Property Trust Created by David A. Belford and the David A. Belford Irrevocable Trust***

c. For Trustee:

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***Counsel for Derek Henderson, Liquidating Trustee***

3. The pleadings are amended to conform to this pretrial order for purposes of the trial of this action, and matters previously decided by the Court need not be included in this order.
4. The following claims, counterclaims, cross-claims or third-party claims have been filed **and** are still being pursued by the parties:
  - a. Plaintiffs' claims under the Worker Adjustment and Retraining Notification Act (the "WARN Act") 29 U.S.C. § 2101 *et seq.*;
  - b. Plaintiffs' claims under the California WARN Act; and
  - c. Plaintiffs' claims for unpaid paid time off under the state laws of California.
5. The Court has jurisdiction under:
  - a. Under 28 U.S.C. § 1334(a) and 28 U.S.C. § 157(a) as to the Plaintiffs' claims against the Debtors;
  - b. Under 28 U.S.C. § 1334(b) and 28 U.S.C. § 157(c) as to the Plaintiffs' claims against the Non-UFIs Defendants.
6. The parties (x) have ( ) have not previously consented to the entry of final judgment by this Court. If not, the following jurisdictional questions remain:

None.
7. Pending Motions: (Pending motions not noted here may be deemed moot)

None.
8. The parties accept the following concise summaries of the ultimate facts as claimed by:
  - a. Plaintiff:

Mass Termination Without Adequate Notice

On November 21, 2022, United Furniture Industries, Inc. (UFI) terminated the employment of approximately 2,419 employees without providing the 60 days' written notice required under the federal Worker Adjustment and Retraining Notification Act (WARN Act) and the California WARN Act (Cal/WARN). The termination notice was sent minutes after the formal board resolution authorizing the shutdown was executed by David Belford and Jason Gabauer.

Failure to Pay Accrued Paid Time Off (PTO)

UFI failed to pay accrued but unused PTO to employees upon termination, in violation of California state law. UFI's policies and practices failed to comply with the state's requirement to pay out unused PTO upon termination. At the time of termination, the California employees had an accrued PTO balance of \$73,522, as stipulated by the Parties. Plaintiffs also seek additional damages of \$164,906, as stipulated by the Parties, as waiting time penalties for the failure to pay all accrued PTO upon termination.

#### Financial Mismanagement and Lack of Transparency

UFI's financial situation had been deteriorating for months prior to the mass termination. Despite repeated assurances from David Belford, UFI's majority shareholder and trustee of the Separate Property Trust (SPT), that he would provide financial support, Belford ultimately refused to contribute additional funding. This decision left UFI unable to meet payroll or continue operations, forcing the abrupt shutdown.

#### Board's Role in the Shutdown

Earlier in the day on November 21, 2022, David Belford notified Barr and Evans that he would not be providing another dime and instructed Barr and Evans to hand the keys to the bank. The UFI Board, consisting of David Belford and Jason Gabauer, authorized the shutdown and mass termination shortly after 11 p.m. on November 21, 2022.

#### Control and Decision-Making by Non-UFI Defendants

Evans and Barr, during their brief tenure at United Furniture Industries, Inc. (UFI), maintained direct reporting lines and regular communication with David Belford and Jason Gabauer. They perceived Stage Capital, LLC as the Belford family's investment management entity. Operationally, Evans and Barr regarded Belford as the ultimate owner of UFI, while Gabauer, acting on behalf of Stage, served as Belford's on-site representative with executive authority at UFI.

David Belford, as the trustee of the SPT and chairman of Stage Capital, LLC, exercised significant control over UFI's operations. Belford, Stage Capital, and the SPT were more than passive investors. Belford routinely gave directives to UFI executives. He approved or was consulted on compensation, real estate, strategic direction, and employment decisions. Internal communications prove that Belford and Gabauer routinely directed actions related to company operations.

Belford's directives and decisions, including his refusal to provide additional funding, directive to Barr and Evans to hand the keys to the bank, and formal board authorization, directly contributed to the company's financial collapse and the subsequent mass termination. Thus, Belford and Stage Capital, LLC should be held jointly and severally liable under the "single employer" theory for WARN Act violations.

#### Damages and Legal Claims

Plaintiffs seek damages under the WARN Act and Cal/WARN for the failure to provide 60 days' notice, amounting to \$19,371,126 for federal WARN violations and \$73,522 plus \$164,906 in waiting time penalties for California state law violations, as stipulated by the Parties. Additionally, Plaintiffs seek damages amounting to \$3,386,804.88 for the 523 employees who were employed for less than six months as of November 21, 2022. Plaintiffs also seek attorney's fees, penalties, and other relief as permitted under federal and state law.

#### Good Faith Exception Not Applicable

Plaintiffs contend that the Defendants cannot rely on the "good faith" exception under 29 U.S.C. § 2104(a)(4) because the mass termination was foreseeable, and Defendants failed to take reasonable steps to mitigate harm to employees. The lack of timely WARN notices and the abrupt nature of the shutdown demonstrate a disregard for statutory obligations.

#### Damages

Defendants' actions reflect a pattern of mismanagement, lack of transparency, and disregard for employee rights. The abrupt termination without proper notice or compensation for accrued benefits caused significant financial and emotional harm to the affected employees. Therefore, Non-UFI Defendants should be held accountable for their role in the events leading to the mass termination. Plaintiffs claim WARN Act damages of at least \$19.37 million for 1,896 employees. The California employees suffered additional damages of \$73,522 for unpaid PTO and \$164,906 in penalties are sought under California law. An additional \$3.387 million for the 523 employees who were employed for less than six months on November 21, 2022.

Plaintiffs request the court to hold the Non-UFI Defendants jointly liable, award attorneys' fees and penalties, and classify Plaintiffs' damages as priority wage claims.

#### b. Non-UFI Defendants:

##### Ownership of UFI.

As of November 21, 2022, the Separate Property Trust Created By David Belford ("SPT") owned 60% of United Furniture Industries, Inc. ("UFI") and the remaining 40% was owned by Mr. Belford's children's trusts. The David A. Belford Irrevocable Trust ("Irrevocable Trust") has no ownership interest in UFI. David A. Belford is the trustee of the SPT. Howard Belford is the trustee of the Irrevocable Trust.

##### Officers and Directors of UFI.

As of November 21, 2022, UFI's Board of Directors (the "Board") had only two directors, Mr. Belford and Jason Gabauer. Todd Evans was the Chief Executive Officer of UFI in November 2022. Lynda Barr was the Chief Financial Officer of UFI in November 2022.

##### Officers and Directors of Stage Capital, LLC.

Stage Capital, LLC is a "family office management company" for "the Belford family." In November of 2022, Mr. Gabauer held the title of Chief Financial Officer for Stage Capital, LLC. Mr. Gabauer is currently the Chief Operating Officer of Stage Capital, LLC. There are only two officers at Stage Capital, LLC – Mr. Gabauer and Mr. Belford. Mr. Belford is the chairman of the board of directors at Stage Capital, LLC.

UFI's Mass Termination of Employees.

UFI was a furniture manufacturing company that, as of November 2022, employed approximately 2,700 employees. On the morning of November 21, 2022, Ms. Barr requested that counsel from McGuireWoods provide a WARN notice and received a draft of the WARN notice on the same day.

At 5:15 p.m. on November 21, 2022, Mr. Evans and Ms. Barr sent a letter to the Board, dated 4:12 p.m. on November 21, 2022, which stated, in relevant part:

At this point, we have no authorization or ability to move the company forward. We have received no official direction from the Board. As a result, we are taking the following actions:

- 1) We are having employment termination notices prepared and engaging a firm to complete a companywide distribution of the notices[.]
- 2) All employees will be notified to not return to work at 6 p.m. CST (November 21, 2022)[,]
- 3) We will notify all primary lenders, Wells, Renasant, Rosenthal and CIT, of the status prior to our departure this evening[.]

At approximately 8:49 p.m., a text communication was sent to all employees which stated, “[a]t the instruction of the board of directors of United Furniture Industries, Inc., and all subsidiaries, the company, we regret to inform you that due to unforeseen circumstances, the company has been forced to make the difficult decision to terminate the employment of all its employees effective immediately on November 21, 2022, with the exception of over-the-road drivers that are out on delivery.”

At 9:59 p.m., on November 21, 2022, the Board resolution was provided to Mr. Belford for signature via an electronic-signature software.

At 12:13 a.m. the next day, November 22, 2022, the members of the Board, Mr. Belford and Mr. Gabauer, executed a resolution that stated, in pertinent part, “the Board deems it advisable and in the best interests of the Company and its shareholders to immediately effectuate an orderly winddown of its operations.”

Non-UFI Defendants Have Continued to “Operate” Since November 2022.

As of November 18, 2024, Stage Capital, LLC continues to operate and has not filed for bankruptcy. As of November 18, 2024, Mr. Belford is alive, has not filed for bankruptcy, and remains the trustee of the SPT (which continues to maintain its corpus).

Lack of Commonality of Operations Between Stage Capital, LLC and UFI.

Stage Capital, LLC would occasionally provide tax information to UFI’s tax preparer but did not prepare, file, or execute documents on UFI’s behalf. Stage Capital, LLC and UFI did not share insurance plans, 401(k) plans, employee benefits plans, or any employment policies. Stage Capital, LLC and UFI did not share administrative or purchasing services. Stage Capital, LLC and

UFI did not share employees. Stage Capital, LLC and UFI did not share equipment. Stage Capital, LLC and UFI did not commingle finances.

*Evidence (or Lack Thereof) Regarding Employment Policies.*

UFI did not have an employment policy or practice of paying accrued but unused PTO upon employment termination. There were no employment agreements between the entire Plaintiff-class and any Defendants, especially Non-UFI Defendants. There were no shared personnel policies between UFI and Non-UFI Defendants. Non-UFI Defendants shared personnel policies. UFI and Non-UFI Defendants did not transfer employees between them. Non-UFI Defendants and UFI did not share health or benefits plans for their respective personnel.

*Further Evidence (or Lack Thereof) Regarding Lack of Dependency of Operations.*

UFI maintained its own Human Resources and Information Technology departments. UFI did not rely on Non-UFI Defendants for significant portions of its revenue. Non-UFI Defendants and UFI did not commingle finances. There was no fraudulent transfer of title between Non-UFI Defendants and UFI.

*Todd Evans' Control over Operations of UFI.*

As the Chief Executive Officer (CEO) of United Furniture Industries (UFI), Mr. Evans exercised de facto control over UFI on a daily basis. For example:

- Mr. Evans handpicked his C-suite and management team.
- In early June 2022, Mr. Evans dictated the hire, employment terms, and compensation terms for Ms. Barr, the individual that he insisted on hiring as Chief Financial Officer (CFO) for UFI. Mr. Belford recognized that Mr. Evans had this authority, stating, "100% your call. Just making sure I understand."
- Mr. Evans recruited and hired Van Bui as the General Manager of Asia, Import Division for UFI. On June 5, 2022, Mr. Evans hired Daniel Siggers as the Chief Operations Officer for UFI, determining Mr. Siggers' employment and compensation terms.
- On June 8, 2022, Mr. Evans made the decision to hire Keith News as President of Sales for Lane Furniture, setting the employment and compensation terms for Mr. News.
- On June 10, 2022, Mr. Evans dictated a reorganization of C-suite structure for UFI and its subsidiaries. Related to the organization, Mr. Evans notified the Board of the hire of Doug Hanby as President of one of UFI's subsidiaries and the termination, which he "demanded," of an employee who did not fit with Evans' reorganization.
- On June 10, 2022, Mr. Evans further amended Mr. News' employment agreement.
- Mr. Evans renegotiated Jay Quimby's, one of UFI's vice presidents, employment agreement as Mr. Evans felt Mr. Quimby was overcompensated and receiving the same compensation regardless of UFI's profitability, which Mr. Evans admitted Mr. Belford was not aware of.
- Mr. Evans routinely communicated to the entire C-suite and management structure to UFI, directing business and driving sales.
- Mr. Evans routinely executed agreements on behalf of UFI.



Mr. Evans' Unfettered Authority to Reorganize, Restructure, Terminate, and Conduct Reductions in Force.

Mr. Evans had both the authority to and history of conducting company-wide reductions in force. For example:

- On June 8, 2022, Mr. Evans solely made the decisions as to which departments and positions to include in a reduction in force, including restricting the sales department and cutting half of the IT budget.
- Mr. Evans unilaterally decided to end all incentives for the sales department at UFI and its subsidiaries on June 20, 2022.
- Mr. Evans exercised independent judgment to determine how to execute on the Board's overarching goals for the company, including reducing overhead costs.
- Mr. Evans identified and closed certain manufacturing facilities as part of the C-Suite plan to optimize costs and rationalization, pursuant to the Board's general directive to return UFI to financial stability.
- Mr. Evans independently acted to negotiate with multiple lenders regarding financing for UFI, including negotiating with Wells Fargo Real Estate, engaging appraisals of multiple properties, negotiating real estate deals, and negotiating with UFI's suppliers over outstanding debts.
- Mr. Evans made the decision to terminate the President of UFI Transportation. He reorganized the management structure to determine where all UFI termination inquiries would be sent after the termination of the UFI Transportation President. Notably, Mr. Belford was not included in this structure and did not receive any such termination inquiries.
- Mr. Evans recommended, along with Ms. Barr, the engagement of Chapter 11 counsel and selected that counsel.

Ms. Barr Exercised Control Over UFI.

Ms. Barr, a self-described "thought partner" CFO, similarly exercised de facto control over UFI, in tandem with Mr. Evans whom she worked in "partnership" with every day. Ms. Barr directed the previous reduction in force which occurred in June 2022 and executed a list of actions which she determined were necessary prior to the reduction in force. In this process, Ms. Barr leaned on her previous experience directing reductions in force at three prior employers and a previous reduction that she led at UFI. Notwithstanding the above, Ms. Barr was also involved in the following company actions, without Board input:

- Ms. Barr dictated extensive changes to UFI's health benefits in late October 2022.
- In tandem with UFI's Human Resources Department and UFI's in-house counsel, Ms. Barr made changes to UFI's 401(k) Plan, which were then dictated to Mr. Belford by Mr. Evans.
- With Mr. Evans' approval, Ms. Barr hired an independent accounting firm to help investigate questionable financial practices occurring at UFI. This investigation required the shutdown of the Company's manufacturing operations without express Board authorization.

Mr. Belford's Exercises Supervision Typical of a Board Member and Investor.

Mr. Belford, as a member of the Board, only approved “major strategic” and “big” decisions. Mr. Belford, as a member of the Board, primarily presented general directives to UFI.

Mr. Belford was not aware of key issues with the import side of UFI’s business, lack of payments to vendors, and certain key customers of UFI which represented more than 50% of the company’s revenue. At his deposition, Mr. Belford repeatedly responded that he did not know UFI management’s understanding of the refinancing options. Mr. Belford further testified that the Board authorized the termination of all employees only because management, who was “running day-to-day,” requested it. Mr. Belford refused to loan UFI more money because UFI’s management had not provided him with financial statements, as “any investor would.”

Stage Capital’s Role with UFI Was Purely Administrative.

Stage Capital, LLC facilitated transfer of funds when UFI needed an influx of cash but did not directly provide any capital. Although a management agreement between UFI and Stage Capital, LLC existed, neither UFI nor Stage Capital, LLC were aware that the agreement existed until Ms. Barr discovered it. Once they learned of the management agreement, UFI and Stage Capital, LLC terminated the agreement.

Mr. Evans and Ms. Barr Independently Exercised De Facto Control over UFI by Deciding to Shut Down UFI and Fire Substantially All of Its Employees.

On November 21, 2022, Mr. Evans and Ms. Barr had prepared the WARN notices, before they communicated their shutdown decision to the Board.

At 5:15 p.m. EST, on November 21, 2022 Mr. Evans and Ms. Barr told the Board the following, through written correspondence:

At this point, we have no authorization or ability to move the company forward. We have received no official direction from the Board. As a result, we are taking the following actions:

- 1) We are having employment termination notices prepared and engaging a firm to complete a companywide distribution of the notices[.]
- 2) All employees will be notified to not return to work at 6 p.m. CST (November 21, 2022)[.]
- 3) We will notify all primary lenders, Wells, Renasant, Rosenthal and CIT, of the status prior to our departure this evening[.]

At 8:49 p.m. EST, on November 21, 2022, the mass termination occurred when Mr. Evans and Ms. Barr sent the text communication.

At 12:13 a.m., EST, on November 22, 2022, the Board signed a resolution authorizing Mr. Evans and Ms. Barr to act.

UFI Policy Did Not Provide for Payment of Paid Time Off on Termination.

The 2021 Employee Handbook has a Vacation Policy that does not provide for payment of accrued vacation on termination. Rather, the policy only provides payment of accrued vacation during the two one-week temporary facility shutdowns that are annually scheduled for July and the week after the Christmas holiday. The 2021 Employee Handbook states that it is not a contract.

c. Trustee:

Prior to completely shutting down on November 21, 2022, UFI had been struggling with financial difficulties for quite some time. By the summer of 2022, UFI's financial situation had reached a critical stage, and the company needed to be restructured in order to remain viable.

As one of the first steps in this process, UFI's Chairman, David Belford, turned-over UFI's executive management team which had been in place for several years. Belford terminated the CEO, Mike Watson, and the CFO, Doug Hanby, and Belford also removed both individuals as directors on the UFI board. This action left Belford as the only director on the board until he later appointed Jason Gabauer as a director in September 2022.

In June 2022, Belford hired Todd Evans as UFI's CEO, and Evans, in turn, hired Lynda Barr as the new CFO. Belford told Evans that he wanted a change in leadership at UFI and that, despite the difficulties it was facing, he was committed to supporting the company.

Evans and Barr were tasked with leading UFI's restructuring effort, and they engaged outside counsel and financial advisors to assist with this process. Soon after Barr and Evans arrived, they discovered that UFI's financials were "an absolute disaster." Their assessment was that UFI was in a "cash crisis" and was on the verge of defaulting on loans with its primary lender, Wells Fargo Bank.

Throughout their relatively short stints with UFI, Evans and Barr reported directly to and were in regular communication with Belford and Gabauer. Evans and Barr understood that Stage Capital, LLC was the family office management company which handled the investments of the Belford family. Functionally, Evans and Barr viewed Belford as UFI's ultimate owner and Gabauer, as a representative of Stage, as Belford's liaison on the ground with executive authority at UFI.

For several years, Stage and UFI were parties to an "Executive Management Agreement" which essentially gave Stage responsibility over all of UFI's managerial decisions. Pursuant to this Agreement, Evans' predecessor, Watson, simultaneously served as the chief executive of UFI and two (2) other companies in Stage's portfolio, and he facilitated transactions which shifted earnings among them. Although this Agreement was formally terminated when Barr and Evans came aboard in 2022, Stage continued to supervise UFI's operations through Gabauer, who was regularly on-site at the company's headquarters in Verona, Mississippi. Evans and Barr understood that any major strategic decisions had to be approved by the UFI board, which was comprised of Belford and Gabauer.

To address UFI's immediate cash and debt problems, one of the first tasks undertaken by Evans and Barr was to complete a refinancing transaction which entailed a cash infusion in the form a secured loan from the Belford Trust. Barr knew this was a short-term fix, and her early cash flow projections showed that, without additional funding, UFI

“was going to run into a liquidity problem” in a few months.

At Belford’s request, Barr and Evans assessed various mid-to-long term strategies, which included scenarios for obtaining additional funding from Belford, refinancing secured debt to free-up equity, renegotiating the terms of UFI’s asset-based loan with Wells Fargo, and consolidating operations. Throughout the summer and early fall, Evans and Barr were involved in on-going discussions with the board and various lenders about these strategies. Also, as part of the effort to reduce costs, UFI closed three (3) of its facilities in or around July 2022, and provided the required WARN Notices to the affected employees.

One of the many financial “anomalies” discovered by Barr and Evans during their initial assessment of UFI’s operations was that the company lacked accurate aged payables reporting. This discovery led to the restatement of UFI’s financials to reflect a large accounts payable balance owed to trade vendors. To address this problem, Barr and Evans presented the UFI board with two primary options: (1) negotiate long-term payment terms with vendors; or (2) obtain relief from legacy payments through a Chapter 11 reorganization.

Barr and Evans made it clear to Belford that reaching any of the mid-to-long term strategies, including a bankruptcy, would require short-term bridge funding from Belford. During their on-going discussions, Belford “consistently reassured” Barr and Evans that he was committed to funding the company. Based on Belford’s assurances, the financial projections which Barr presented to the board included a “key assumption” that Belford would be contributing at least \$6 million to UFI. The concept of a total company shut-down or liquidation was never mentioned as a possible scenario in these discussions.

By mid-November, the “liquidity problem” forecasted by Barr was beginning to manifest, but there was still no plan in place for UFI to secure additional funding. Because it was the only real option at this point, Barr recommended to the board that UFI file for Chapter 11. Anticipating this authorization, Barr apprised the board that she had already taken steps to engage bankruptcy counsel and a financial advisor for UFI. In her presentation to the board, Barr targeted December 12 as the potential filing date and estimated UFI would need approximately \$6 million in bridge funding to continue operations through that date which was in the range of Belford’s funding commitment.

Beginning on Friday, November 18 and continuing over the weekend, Barr was engaged in urgent discussions with the board, outside counsel and financial advisors about the fact that UFI was running out of time and needed to secure additional funding immediately. Belford was opposed to a bankruptcy filing, and he instructed Barr to continue working on alternative scenarios and to ask Wells Fargo if it would contribute funding. Meanwhile, because Belford had given no indication to the contrary, Barr was still operating under the assumption that he remained committed “to put in the \$6 million.” At some point over the weekend, Gabauer told Barr that “the funds were ready to transfer.”

On Sunday night, November 20, Barr sent an email to Belford which provided an updated funding estimate that UFI would need \$8.85 million to get through the next week,

plus “incremental funding to make it through 12/12 for filing.” Barr also stated: “We need assurances that you will fund, so that we can continue to staff and ship.” UFI was on the brink, and it was obvious that, without additional funding, UFI did not have the ability to fund payroll or continue operations.

The next morning, November 21, Barr and Evans contacted Wells Fargo as requested by Belford to inquire whether it would contribute funds to UFI. After Wells Fargo declined, Barr and Evans called Belford for further direction. During this call, Belford stated that he did not intend to put “another dime” into the company and that they “should be handing the keys to the bank.” Barr and Evans were shocked by Belford’s decision and immediately began to compile a list of required actions that needed to be taken. It was obvious that the inevitable consequences of Belford’s decision would be the immediate shut-down of UFI’s operations and the termination of its employees.

At or around the same time of their call with Belford, Barr and Evans received an email from Ronald Gold, the attorney who Barr had been talking to about a possible Chapter 11 filing for UFI. Gold reported that he had recently spoken to Belford’s attorney, Michael Brandess, who advised that neither Wells Fargo nor “equity” would be providing any additional funding for UFI. Gold also stated that, in light of these unexpected developments, he would not be moving forward with the proposed Chapter 11 engagement.

In a follow-up email to Barr, Gold added: “Given the call that just concluded, it is critical that you speak with your Mississippi labor counsel to discuss WARN and other labor issues.” Clearly caught off-guard by this turn of events, Barr responded that the call with Belford had gone “full sideways” and that she was “working WARN.” According to Barr, this was first time WARN had been mentioned in terms of a complete shut-down of UFI.

Around noon, Barr sent an email to an attorney with McGuire Woods, Harrison Marshall, who had assisted with UFI’s early restructuring efforts. Barr told Marshall that she needed someone at his firm to start drafting WARN notices for a “total company” shut-down. Marshall responded that he would put together a team of employment lawyers in the states where UFI operated to address WARN issues.

A few hours later, John Bishop, an employment attorney with McGuire Woods, sent an email to Barr which attached draft WARN notices and included instructions for sending them. Bishop stated: “because MW is not restructuring counsel for the company and does not know all the relevant facts, please have these notices reviewed by the company’s restructuring counsel and sent out only upon instructions of the board.”

Barr forwarded Bishop’s email to Domenic Pacitti, an attorney with Klehr Harrison who was UFI’s restructuring attorney at that time. Barr informed Pacitti: “Please see below—recommendation that you review.” At 4:04pm, Pacitti then forwarded the e-mail thread to Brandess as counsel for the board. Pacitti told Brandess: “Please provide the authorization of the Board to the Company to terminate all employees and the commitment of [the] equity holder to fund the dissemination of these notices asap . . .”

When Brandess did not immediately respond to Pacitti, this apparently prompted Barr to send an email at 5:15pm to Belford and Gabauer. Barr's email attached a letter to the board which stated that, because UFI lacked funding to operate and the board had not yet given any official direction to the company, management was taking the inevitable next step of providing termination notices to the employees. At or around this same time, Barr also had UFI send an electronic communication to all employees which stated they should not report to work the next day and more information would be forthcoming.

At 6:22 pm, Brandess responded to Pacitti's email: "The WARN letters look fine. My client has authorized and will fund the expenditure." At 9:59pm, a formal resolution was provided to the board for digital signatures via DocuSign. At 11:13 p.m., the resolution was signed by Belford and Gabauer. The board resolution recites that, because "the Company no longer has sufficient liquidity to continue operating as a going concern . . . , the Board deems it advisable . . . to immediately effectuate an orderly winddown of its operations." This recital is followed by resolutions "authorizing" the Company's officers to issue WARN notices and to take any other action necessary to immediately terminate all of the Company's employees.

After receiving the resolution, Barr then had UFI send a follow-up communication to all employees at 11:42 pm which stated in part: "At the instruction of the Board . . . , we regret to inform you that due to unforeseen business circumstances the Company has been forced to make the difficult decision to terminate the employment of all of its employees, effective immediately, on November 21, 2022, with the exception of over-the-road drivers that are out on delivery." Meanwhile, Barr was working with UFI's outside counsel to finalize and disseminate the "formal" WARN notices. UFI engaged an outside vendor to deliver the WARN notices, and the mail-out was completed by the next day, November 23.

As noted in Brandess' email, Belford agreed to pay the notification expenses. Belford also agreed to fund UFI's payroll from Tuesday to Friday of that week and to pay a consulting fee to the former human resources representative who was identified as UFI's contact person in the WARN notice. According to Barr, the board approved these actions and other actions relating to the shut-down prior to signing the "formal" resolution.

After issuing the WARN notices and processing final payroll, Barr and Evans tendered their resignations. UFI's outside professionals also terminated their engagements with UFI. Consequently, there was no one left except the board to deal with UFI's unfinished business, which at this point, also included multiple WARN class-actions.

On December 1, 2023, the board hired a new CFO and new outside counsel to assist UFI with the wind-down of the company. On December 9, the board authorized UFI to mail-out "amended" WARN notices. Not long after that, Wells Fargo and other creditors filed an involuntary bankruptcy petition against UFI.

Prior to their discussion with Belford on the morning of November 21, 2022, UFI's senior management had no idea that a total company shut-down was being considered. Despite these challenging and unforeseen circumstances, UFI's management

made a good faith effort to comply with the WARN Act and California WARN Act and provided termination notices to the affected employees as soon as reasonably practicable.

9. a. The following facts are established by the pleadings, by stipulation, or by admission:
- i. The David Belford Separate Property Trust (“Belford Trust”) was the majority shareholder of UFI;
  - ii. David Belford is the Grantor and Trustee of the Belford Trust, which is a revocable trust created under Ohio law;
  - iii. As Trustee of the Belford Trust, Mr. Belford was UFI’s sole voting shareholder (though there were other shareholders without voting rights);
  - iv. The David A. Belford Irrevocable Trust (“Irrevocable Trust”) holds no shares in UFI;
  - v. Mr. Belford is not the trustee of the Irrevocable Trust;
  - vi. Stage Capital, LLC (“Stage”) is the family office management company for the Belford family;
  - vii. Belford is the “chairman” and sole owner of Stage;
  - viii. Stage has never held shares in UFI.
  - ix. Lynda Barr began working for UFI as the Chief Financial Officer on June 26, 2022.
  - x. Todd Evans was hired as the Chief Executive Office of UFI since at least June 26, 2022.
  - xi. On November 21, 2022, Jason Gabauer was the Chief Financial Officer of Stage;
  - xii. On September 7, 2022, there was a resolution appointing Gabauer to serve as a director on UFI’s board;
  - xiii. Mr. Belford and Mr. Gabauer were the only two directors on the UFI Board on November 21, 2022;
  - xiv. A “plant closing” or “mass layoff,” as defined in 29 U.S.C. § 2101(a)(2), (3), occurred on November 21, 2022, causing an “employment loss,” as defined in 29 U.S.C. § 2101(a)(6), for 2,419

employees.

- xv. Neither UFI nor the Non-UFI Defendants provided 60 days' written notice prior to the "plant closing" or "mass layoff" that occurred on November 21, 2022;
- xvi. On November 25, 2022, following notice of termination, a final payroll was paid to UFI's employees per usual covering all wages earned the week prior. The final payroll payment covered any other hours worked on November 21, 2022, for services rendered in the winding up process. Thus, UFI's Employees received all wages earned for work performed and services provided through the termination date;
- xvii. Non-UFI Defendants and UFI did not share insurance plans, 401(k) plans, employee benefits plans, or any employment policies;
- xviii. UFI maintained its own Human Resources and Information Technology departments;
- xix. Mr. Evans and Ms. Barr jointly recommended the engagement of and selected Chapter 11 counsel for UFI;
- xx. UFI's 2021 Employee Handbook's Vacation Policy does not provide for payment of accrued but unused vacation upon termination of employment;
- xxi. UFI's 2021 Employee Handbook is not a contract;
- xxii. If UFI is found liable, the total amount of WARN damages, exclusive of attorney fees and pre-judgment interest, owed to the 1,896 employees identified in the Report and Declaration submitted by Richard Goldberg on account of UFI's failure to provide 60 days advance notice of the shut-down is \$19,371,126, which may be reduced in the Court's discretion if it finds the violation was in good faith, as stipulated in Docket 190; and
- xxiii. In the event that the Court finds in favor of the sub-class of California employees as to liability on their state law claims for unpaid vacation and penalties, the total amount of damages, exclusive of attorney fees and pre-judgment interest, is \$73,522 plus \$164,096 in waiting time penalties, as stipulated in Docket 190.
- xxiv. On February 21, 2023, the Trustee filed a Motion For Authority to Pay Certain Pre-petition Employment Obligations, which sought approval from the Court to pay (i) employee's paychecks legally



ordered deductions, such garnishments, child support, and tax levies (“Employee Levies”); (ii) employee’s elective life, health and disability insurance premiums (collectively “Employee Deferrals”) for forwarding to UNUM, the Debtor’s third-party benefit administrator; (iii) employees under a self-funded policy administered by UMR/United Healthcare for health insurance and pharmacy benefits generated liabilities from UMR remitting to the Debtors the amounts owed for their portion of the self-funded obligation after employees claims had been administered (the “Employee Health Liabilities”); and (iv) employer’s shares of Social Security taxes deferred pursuant The Coronavirus, Aid, Relief and Economic Security Act (“CARES Act Deferrals”) due December 31, 2022. Dkt. 183 in Case No. 22-13422.

- xxv. On March 6, 2023, the Court entered an Order Granting the Trustee’s Motion for Authority to Pay Certain Pre-petition Employee Obligations, approving payment of the Employee Levies, the Employee Deferrals in the amount of \$305,520.00, the Employee Health Liabilities in the amount of \$2,709,795.00, and the Cares Act Deferrals. Dkt. 298 in Case No. 22-13422.
- xxvi. The undisputed facts recited in the Court’s Memorandum Opinion and Order Denying in Part and granting In Part Defendants’ Motion for Summary Judgment and Denying Plaintiffs’ Motion for Summary Judgment (“Summary Judgment Order”), Dkt. 248, are incorporated by reference.

**b. The contested issues of fact are as follows:<sup>2</sup>**

- i. Whether Mr. Belford was an officer of Stage;
- ii. Whether Mr. Belford was an officer of UFI on November 21, 2022;
- iii. Whether Mr. Evans and Ms. Barr had already decided to conduct a mass termination prior to notifying and requesting the UFI Board to act on the same;
- iv. Whether and, if so, when Stage provided services to UFI under the management agreement that was terminated in August 2022;
- v. Which time zone(s) Mr. Evans, Ms. Barr, Mr. Belford, and. Mr. Gabauer

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<sup>2</sup> While the parties agree that these facts are contested, they make no representation as to whether any of these contested factual issues are material to disposition of the action.

were in on November 21, 2022 at the time of the mass termination of employees;

- vi. Whether UFI terminated all employees on November 21, 2022 or terminated substantially all of its employees;
- vii. At what time on November 21, 2022 the mass termination of employees occurred;
- viii. At what time on November 21, 2022 the UFI Board was provided the draft resolution for signature;
- ix. At what time on November 21 or November 22, 2022 the UFI Board provided authorization for UFI to wind-down operations.
- x. Whether the mass termination of UFI's employees on November 21, 2022 occurred before or after the UFI Board provided authorization to wind-down operations;
- xi. To the extent that the mass termination is found to have occurred after the UFI Board provided authorization to wind-down UFI's operations, whether Mr. Evans and Ms. Barr would have taken the same actions absent such authorization;
- xii. What business decisions of UFI required the UFI Board's authorization;
- xiii. What business decisions of UFI required Mr. Belford's authorization;
- xiv. To what degree Mr. Evans exercised control over the day-to-day operations of UFI;
- xv. To what degree Mr. Evans had discretion over employment decisions at UFI, including dictating terms and conditions of employment for individuals, particularly his C-suite at UFI;
- xvi. To what degree Mr. Evans had discretion and authority to reorganize and restructure UFI;
- xvii. To what degree Mr. Evans had the discretion and authority to conduct reductions in force and employee terminations at UFI;
- xviii. To what degree Mr. Evans had the discretion and authority to create, modify,

and terminate employment policies, including incentive plans;

- xix. To what degree Mr. Evans had the discretion and authority to close UFI facilities;
- xx. To what degree Mr. Evans had the discretion and authority to negotiate with (including but not limited to) lenders, real estate brokers, real estate appraisers, and suppliers;
- xxi. To what degree Ms. Barr exercised control over the day-to-day operations of UFI;
- xxii. To what degree Ms. Barr had the discretion and authority to conduct reductions in force at UFI;
- xxiii. To what degree, Ms. Barr had the discretion and authority to close UFI facilities;
- xxiv. To what degree the UFI Board approved the shutdown of UFI's manufacturing operations for purposes of the independent accounting firm's (retained by Ms. Barr) investigation into UFI's financial practices;
- xxv. To what degree Mr. Belford exercised control over the day-to-day operations of UFI;
- xxvi. To what degree Stage exercised control over the day-to-day operations of UFI;
- xxvii. To what degree the Belford Trust exercised control over the day-to-day operations of UFI;
- xxviii. To what degree, if any, Mr. Evans, Ms. Barr, Mr. Belford, Stage, and the Belford Trust exercised control over the decision to terminate UFI's employees on November 21, 2022;
- xxix. To what degree Mr. Gabauer was physically present at any UFI facility;
- xxx. Whether Stage and UFI commingled finances; and
- xxxi. Whether Stage provided any capital to UFI.
- xxxii. Who directed UFI to shut-down operations and terminate employees without

60 days notice?

xxxiii. Whether UFI and/or the Non-UFI Defendants made a good faith effort to comply with 60 days notice requirement?

xxxiv. Whether the Separate Property Trust functioned as a mere holding company or as part of a coordinated structure through which Belford directed UFI's operations and the shut-down?

xxxv. Any contested issues of fact which predicate any of the contested issues of law.

xxxvi. The disputed facts recited in the Court's Summary Judgment Order are incorporated by reference.

**c.** The contested issues of law are as follows:

- i. Whether joint and several liability for federal WARN damages attaches to Stage Capital and/or the Belford Trust under the "single employer" theory;
- ii. Whether joint and several liability for Cal/WARN damages attached to David Belford, Stage Capital, and/or the Belford Trust;
- iii. Whether the Plaintiffs are entitled to recover attorney's fees and penalties under the federal WARN Act and Cal/WARN, and if so, the amount(s) of any such award(s);
- iv. Whether the amount of federal WARN and Cal/WARN damages should be reduced in the Court's discretion under the "good faith" exception set forth in 29 U.S.C. § 2104(a)(4) and Cal. Lab. Code 1405;
- v. Whether the Defendants (UFI, David Belford, Stage Capital, and/or the Belford Trust) are liable to the California sub-class for unpaid vacation and/or other benefits, and if so, the amount(s) of any such damages (as stipulated as to the California sub-class);
- vi. Whether the California subclass is entitled to recover attorney's fees and penalties on their state law claims for unpaid vacation and/or other benefits, and if so, the amount(s) of any such awards; and
- vii. Whether the damages awarded to the Plaintiffs (or some portion thereof) are entitled to priority as "wages" under the Bankruptcy Code, 11 U.S.C. § 507(a)(4)-(5), and the Plan.

viii. Whether Mr. Belford is subject to indirect liability under common law theories of corporate veil piercing and/or alter ego, and the choice of law to be applied.

10. The following is a list and brief description of all exhibits (except exhibits to be used for impeachment purposes only) to be offered in evidence by the parties. Each exhibit has been marked for identification and examined by counsel. The authenticity and admissibility in evidence of all exhibits are stipulated. If the authenticity or admissibility of any exhibit is objected to, the exhibit must be identified below, together with a statement of the specified evidentiary grounds for the objections:

a. To be offered by the Plaintiff:

<b>Exhibit Number</b>	<b>Date</b>	<b>Description</b>	<b>Bates Number</b>	<b>Non-UFI Defendant Objections</b>
Pl 001		List of Employees Affected by Shutdown	UFI 787	
Pl 002		List of Drivers Affected by Shutdown	UFI 788	
Pl 003		Compensation of Officers	SCB 006915	
Pl 004		2021 Distributions to Belford	SCB 006954-006958	
Pl 005		Executive Management Agreement	SCB 000034-000036	
Pl 006		David Belford W-2	SCB 000038 - 000040	
Pl 007		Lynda Barr's Deposition Transcript*	None	
Pl 008		Jason Gabauer's Deposition Transcript*	None	
Pl 009		David Belford's Deposition Transcript*	None	
Pl 010		Memorandum re: Termination of Executive Management Agreement	SCB 003245 - 003249	
Pl 011		UFI Authorization Matrix	SCB 001156-001157	
Pl 012		Gabauer and Belford	SCB 001679-	

\*For impeachment purposes only (SDM)

		Emails re Layoff Press Release	001681	
Pl 013		Belford Directives to Hanby and Watson	SCB 001741-001742	
Pl 014		Belford Communications with Watson re Termination	SCB 001797-001798	
Pl 015		UFI Officers on 8/31/22	SCB 002486-002488	
Pl 016		Emails from Belford to Barr and Evans with Directives	SCB 002532-002534	
Pl 017		Belford and Gabauer Emails re UFI Authorization Matrix	SCB 002547-002548	
Pl 018		Belford's Attempt to Sell Real Estate Pre-Bankruptcy	SCB 002635-002637	
Pl 019		Emails re Funding for 11/21/22	SCB 002669	
Pl 020		Emails re Belford's Previous Instruction to Watson	SCB 002857-002858	
Pl 021		Belford Directing Gabauer to Contact Rosenthal re Sale Lease Back	SCB 002881	
Pl 022		Belford Directing Evans to not Proceed with Sale Lease Back and Pursue Refinancing	SCB 002890	
Pl 023		Gabauer September 2022 Memo to Belford	SCB 003026-003029	
Pl 024		Belford's Self-Dealing re Surplus Freight	SCB 003139-003140	Authentication, completeness, hearsay: This appears to be 2 excerpted pages from an arbitration complaint filed on behalf of Mike Watson by his attorney
Pl 025		Equity Paying UMR Bills Post Shutdown	SCB 003320-003328	

Pl 026		Watson Financial Harm List	SCB 003291-003292	
Pl 027		Gabauer July 2022 Memo to Belford	SCB 003307-003312	
Pl 028		Belford and Barr Emails re Bankruptcy Filing	SCB 003525	
Pl 029		Emails Between Belford and His Brother	SCB 003541	
Pl 030		Belford Email re VP of Sales	SCB 003576-003577	
Pl 031		Belford Paying Previous Capital Calls out of UFI	SCB 003693	
Pl 032		Belford Questioning Purchase of Trailers	SCB 003614	
Pl 033		Edits to Belford Statement re Shutdown	SCB 003752-003753	Completeness
Pl 034		Gabauer Email Confirming Board Counsel Reviewed WARN Notice	SCB 003782-003783	
Pl 035		Belford Requesting Price Changes to Furniture from CA	SCB 003913	
Pl 036		Belford Directing Store Displays	SCB 003921	Completeness
Pl 037		David Directing Price Increase in CA or Closure of the Facility	SCB 004185	
Pl 038		David Directing Sales of Inventory Using Surplus	SCB 003952	
Pl 039		Gabauer Requesting to Work Through Cash Flow Forecast with Barr	SCB 004933	
Pl 040		Belford Directing Real Estate to be Sold	SCB 005014	
Pl 041		Belford Ordering an Audit of Raw Material Inventory	SCB 005020	
Pl 042		Belford Ordering no Bonuses are Payable Until Tax Liability is Paid	SCB 005213	
Pl 043		Belford Directing Watson to Lower Overhead and Close	SCB 005334	

		Royal		
Pl 044		Belford Cold Calling	SCB 005339	
Pl 045		Belford Statements re Self Preservation because Lawsuits	SCB 005352	Completeness
Pl 046		Belford and Gabauer Emails re Paying for Gabauer's Time and Expenses	SCB 005495	
Pl 047		Belford Comments re Passive Investor Status	SCB 005541	
Pl 048		Belford Directing Evans to Fast Track Closure of Facilities	SCB 005681-005682	
Pl 049		Belford Approving Siggers Compensation Increase	SCB 005766	
Pl 050		Summary of Excluded Employees	None	Authentication: this appears to be a document not disclosed in discovery, with no indication as to the source
Pl 051	11/21/2022	Written Action of the Board of Directors	SCB 006224-006225	
Pl 052		Written Consent of Sole Voting Shareholder	SCB 000013	
Pl 053		Report of Belford's Expert Report	None	
Pl 054		Todd Evans' Deposition Transcript *	None	

b. To be offered by the Non-UFI Defendants:

<b>Exhibit Number</b>	<b>Date</b>	<b>Description</b>	<b>Bates Number</b>
DB-1	11/13/2007	20071113 David Belford Third Amended and Restated Separate Property Trust	SCB-006256-006280
DB-2	12/16/2009	20091216 David A. Belford Irrevocable Trust	SCB-001113-001151
DB-3	1/1/2014	20140101 Executive Management Agreement	SCB-000034-000036
DB-4	1/28/2021	20210128 UFI and Wells Fargo	SCB-000249-

\* For impeachment purposes only (SDM)



		Credit Agreement	000342
DB-5	1/28/2021	20210128 UFI and Wells Fargo Security Agreement Grossman Ex. 35	SCB-006915
DB-6	12/31/2021	20211231 Compensation of Officers	None
DB-7	12/31/2021	20211231 Federal Tax Returns	UFI755-757
DB-8	4/4/2022	20220404 Wells Fargo Notice of Defaults and Reservation of Rights Grossman Ex. 36	WF-0000201-0000203
DB-9	4/15/2022	20220415 1337 Email Gabauer Ex. 14	SCB-001829-001835
DB-10	4/22/2022	20220422 Wells Fargo Waiver Grossman Ex. 37	WF-0000204-0000207
DB-11	5/1/2022	20220501 Weekly Labor Cost Reduction Evans Ex. 8	None
DB-12	5/8/2022	20220508 2310 Email Belford Ex. 59	SCB-005334
DB-13	5/27/2022	20220527 2311 Email Gabauer Ex. 17	SCB-005316-005321
DB-14	6/2/2022	20220602 Evans Employment Agreement Gabauer Ex. 9	SCB-005283-005285
DB-15	6/3/2022	20220603 Barr Employment Agreement	
DB-16	6/5/2022	20220605 1804 Belford Email	SCB-000457
DB-17	6/5/2022	20220605 2144 Email Gabauer Ex. 27	SCB-001732-001737
DB-18	6/7/2022	20220607 2042 Evans Email	SCB-005240
DB-19	6/8/2022	20220608 1249 Email Belford Ex. 28	SCB-005213-005215
DB-20	6/8/2022	20220608 1718 Evans Email	SCB-001757-001759
DB-21	6/10/2022	20220610 1916 Email Gabauer Ex. 29	SCB-000386-000391
DB-22	6/10/2022	20220610 Evans Emails	SCB-000384, 000457-000462
DB-23	6/13/2022	20220613 1232 Email Gabauer Ex. 5	SCB-002888-002889
DB-24	6/15/2022	20220615 1224 Email Belford	Ex. 22 SCB-003545
DB-25	6/15/2022	20220615 1409 Email Gabauer	SCB-002890

		Ex. 21	
DB-26	6/20/2022	20220620 2256 Inventive Email	None
DB-27	6/23/2022	20220623 1013 Email Barr Ex. 11	None
DB-28	6/27/2022	20220627 0104 Supplier Email	None
DB-29	6/27/2022	20220627 0212 Email Gabauer Ex. 23	SCB-000171
DB-30	6/27/2022	20220627 1231 Email Barr Ex. 22	
DB-31	6/27/2022	20220627 Pacitti Letter to Payne Barr Ex. 21	
DB-32	6/29/2022	20220629 1408 Email Gabauer Ex. 15	SCB-001558-001559
DB-33	6/30/2022	20220630 Delayed Draw Term Loan Note Evans Ex. 5	SCB-001447-001448
DB-34	6/30/2022	20220630 Loan and Security Agreement Evans Ex. 4	SCB-001428-001446
DB-35	6/30/2022	20220630 Marshall Letter to Payne Barr Ex. 23	
DB-36	6/30/2022	20220630 Subordinated Debt Loan Approval Gabauer Ex. 4	SCB-000005-000008
DB-37	7/1/2022	20220701 Intercreditor Subordination Agreement Evans Ex. 6	SCB-001452-001457
DB-38	7/13/2022	20220713 1148 Email Belford Ex. 69	SCB-001156-001157, 005525
DB-39	7/14/2022	20220714 0650 Belford Email	SCB-005229-005532
DB-40	7/14/2022	20220714 Evans Emails ECF No. 134-9	
DB-41	7/18/2022	20220718 1202 Email Gabauer Ex. 11	SCB-005495
DB-42	7/20/2022	20220720 0222 Email Belford Ex. 25	SCB-005490-005491
DB-43	8/26/2022	20220826 A. Payne Letter	SCB-000037
DB-44	9/7/2022	20220907 Written Consent of Sole Voting Shareholder of UFI	SCB-000013
DB-45	9/12/2022	20220912 0111 Email Barr Ex. 12	
DB-46	9/15/2022	20220915 Wells Fargo Notice of Defaults and Reservation of Rights Grossman Ex. 42	SCB-0000472-0000474
DB-47	9/19/2022	20220919 1236 Evans Email	SCB-004185
DB-48	10/4/2022	20221004 2033 Email Belford Ex. 43	SCB-002465-002467

DB-49	10/13/2022	20221013 1647 Evans Email	SCB-005681
DB-50	10/20/2022	20221020 1802 401K Email	
DB-51	10/27/2022	20221027 1659 Barr Email	SCB-003962-003963
DB-52	10/30/2022	20221030 1843 Email Belford Ex. 72	SCB-005668-005669
DB-53	11/4/2022	20221104 1230 Email Grossman Ex. 48	WF-0000403
DB-54	11/11/2022	20221111 2211 Evans Email	SCB-003913
DB-55	11/15/2022	20221115 2327 Email Barr Ex. 4	None
DB-56	11/20/2022	20221120 1727 Email Barr Ex. 6	None
DB-57	11/20/2022	20221120 1947 Email Barr Ex. 5	None
DB-58	11/21/2022	20221121 0029 Email Barr Ex. 7	None
DB-59	11/21/2022	20221121 0147 Email Barr Ex. 8	None
DB-60	11/21/2022	20221121 1204 Barr Email re Confidential	None
DB-61	11/21/2022	20221121 1304 Barr Email re Confidential	None
DB-62	11/21/2022	20221121 1317 Email Barr Ex. 9	None
DB-63	11/21/2022	20221121 1651 Barr Email re Warn Act	None
DB-64	11/21/2022	20221121 2214 Text Message	P0001-0002
DB-65	11/21/2022	20221121 2215 L. Barr Email	SCB-000428-000429
DB-66	11/21/2022	20221121 2249 Email with Notes	None
DB-67	11/21/2022	20221121 2342 Email with Notes	None
DB-68	11/21/2022	20221121 Written Action of the Board of Directors	SCB-006224-006225
DB-69	11/22/2022	20221122 0259 Gabauer Email	SCB-006226-006227
DB-70	11/22/2022	20221122 0513 Gabauer Email	SCB-006222-006225
DB-71	11/22/2022	20221122 2009 WARN Email	SCB-003782-003784
DB-72	11/23/2022	20221123 1732 Email Evans Ex. 24	SCB-000061-000062
DB-73	11/23/2022	20221123 2301 L. Barr Email	SCB-000376
DB-74	12/1/2022	20221201 Written Action of the Board of Directors	SCB-000001-000002
DB-75	6/25/2024	20240625 Neal Response to Belford Stage Capital Discovery	None
DB-76	7/16/2024	20240716 Almarai's Response Objections to Def's Interrogatories	None

DB-77	7/16/2024	20240716 Neal Supplemental Responses to Belford Discovery	None
DB-78	7/23/2024	20240723 James Pugh's Responses and Objections to Defendants David A. Belford and Stage Capital, LLC's First Set of Interrogatories and Requests for Production of Documents	None
DB-79	8/16/2024	20240816 Calvin Hogan Responses to Belford Discovery	None
DB-80	8/19/2024	20240819 Calvin Hogan Responses to Belford Discovery	None
DB-81	9/5/2024	20240905 Hogan's Supp Response to Interrogatories from Belford Neal vs UFI	None
DB-82	9/5/2024	20240905 Neal Second Supp Response to Interrogatories from Belford	None
DB-83	9/5/2024	20240905 Pugh's Supp Response to Interrogatories from Belford	None
DB-84	10/14/2024	20241014 James Pugh's Responses to Belford's Second Set of Discovery	None
DB-85	10/14/2024	20241014 Calvin Hogan's Responses to Belford's Second Set of Discovery	None
DB-86	10/14/2024	20241014 Neal's Responses to Belford's Second Set of Discovery	None

c. To be offered by the Trustee:

<b>Exhibit Number</b>	<b>Date</b>	<b>Description</b>	<b>Bates Number</b>
T-1		E-mail Regarding UFI Tuesday Funding (Exhibit 9 of Lynda Barr's Transcript)	None
T-2		E-mail Between Lynda Barr and Ronald Gold with Frost Brown Todd November 21, 2022 (Exhibit 25 of Lynda Barr's Transcript)	None
T-3		E-mail Between Lynda Barr and Ronald Gold November 21, 2022 (Exhibit 26 of Lynda Barr's Transcript)	None

Exhibit Number	Date	Description	Bates Number
T-4		E-mail Dated November 21, 2022, WARN Notice Discussions (Exhibit 27 of Lynda Barr's Transcript)	None
T-5		Text Message to UFI Employees at 10:49 pm (Exhibit 28 of Lynda Barr's Transcript)	None
T-6		Text Message to UFI Employees at 11:42 pm (Exhibit 29 of Lynda Barr's Transcript)	None
T-7	11/21/2022	Written Action of the Board of Directors	SCB 006224
T-8	12/11/2022	Written Action of the Board of Directors	UFI000718 – 000719
T-9	11/21/2022	Message to Board of Directors	SCB 0428 – 0429
T-10	11/21/2022	Employee Communication	NEAL 0389
T-11	11/23/2022	Todd Evans Resignation	SCB 003771
T-12	11/23/2022	Lynda Barr Resignation	SCB 000376
T-13	11/22/2022	WARN Notices and Amended WARN Notices	None

During the trial, if counsel fails to refer to an exhibit or fails to make known to the Court the relevance or significance of any exhibit in evidence, that exhibit may not be considered by the Court in its deliberations. Each of the parties reserve the right to introduce any exhibits listed by any other party.

11. The following is a list and brief description of charts, graphs, models, schematic diagrams, and similar objects which will be used in opening statements or closing arguments, but which will not be offered in evidence:

- a. Plaintiffs:

PowerPoint presentation summarizing exhibits admitted and witness testimony for closing. The parties jointly recognize that the issue of closing arguments or briefs will be addressed at the pre-trial conference.

b. Non-UFI Defendants:

None.

c. Trustee:

None.

Objections, if any, to use of the proceeding objects are as follows:

- 12.** The following is a list of witnesses the parties anticipate calling **LIVE** at trial (excluding witnesses to be used solely for rebuttal or impeachment). All listed witnesses must be present to testify when called by a party unless specific arrangements have been made with the Court before commencement of trial. The listing of a **WILL CALL** witness constitutes a professional representation, upon which opposing counsel may rely, that the witness will be present at trial, absent reasonable written notice to counsel to the contrary. If a witness is to be offered by deposition, state whether the entire deposition, or only portions, will be used. Counsel must confer, no later than twenty-one days before commencement of trial, to resolve all controversies concerning all depositions (electronically recorded or otherwise). All controversies not resolved by the parties must be submitted to the Court not later than ten days before trial. All objections not submitted within that time are waived.

a. For the Plaintiff

Name	Will Call	May Call	Method*	Fact, Liability, Expert, Damages
Lynda Barr	X		Live*	Fact, Liability, Damages
Todd Evans	X		Live	Fact, Liability, Damages
David Belford		X	Live*	Fact, Liability, Damages
Jason Gabauer		X	Live*	Fact, Liability, Damages
Mike Watson		X	Live	Fact
Doug Hanby		X	Live	Fact
Toria Neal		X	Live	Fact, Liability, Damages

b. For the Non-UFI Defendants

Name	Will Call	May Call	Method*	Fact, Liability, Expert, Damages
David Belford		X		Fact

\*Denotes changes by SDM

Jason Gabauer		X		Fact
Lynda Barr		X	As necessary	Fact
Todd Evans		X	As necessary	Fact

c. For the Trustee

Name	Will Call	May Call	Method*	Fact, Liability, Expert, Damages
Lynda Barr		x	Live	Fact, Liability, Damages
Todd Evans		x	Live	Fact, Liability, Damages
David Belford		x	Live	Fact, Liability, Damages
Jason Gabauer		x	Live	Fact, Liability, Damages
Derek Henderson		x	Live	Fact, Liability, Damages

Extraneous and unnecessary matters, including non-essential colloquy of counsel, shall not be permitted to be read into evidence.

13. This is not a jury case.
14. Counsel suggests the following additional matters to aid in the disposition of this civil action:  
  
None.
15. Counsel estimates the length of the trial will be 2-4 days.
16. This pretrial order has been formulated with participation of the parties or reasonable opportunity to do so having been given the parties, and reasonable opportunity was afforded for the corrections or additions before signing. This order will control the course of the trial, as provided for by Rule 16 of the Federal Rules of Civil Procedure, and it may not be amended except by consent of the parties and the Court, or by order of the Court to prevent manifest injustice.

**##END OF ORDER##**