

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

In re: §
§
FREE SPEECH SYSTEMS, LLC §
§ Debtor Case No. 22-60043-11 §
§ (Subchapter V) §

SUBCHAPTER V TRUSTEE’S STATEMENT REGARDING DEBTOR’S EMERGENCY MOTION FOR COURT INSTRUCTIONS REGARDING (1) DISPOSITION OF DEBTOR’S PROPERTY, AND (2) CLARITY AS TO THE CHIEF RESTRUCTURING OFFICER’S RESPONSIBILITIES AND AUTHORITY, IN THE EVENT OF EITHER A DISMISSAL OF THIS CASE OR CONVERSION TO CHAPTER 7

TO THE HONORABLE CHRISTOPHER M. LÓPEZ, U.S. BANKRUPTCY JUDGE:

NOW COMES, MELISSA A. HASELDEN, Subchapter V Trustee (“Trustee”) in the above-referenced bankruptcy proceeding, and files this Subchapter V Trustee’s Statement (“Statement”) regarding Debtor’s Emergency Motion for Court Instructions Regarding (1) Disposition of Debtor’s Property, and (2) Clarity as to the Chief Restructuring Officer’s Responsibilities and Authority, in the Event of Either a Dismissal of This Case or Conversion to Chapter 7 [Docket No. 933] and would respectfully show the Court as follows:

1. Trustee supports entry of an order clarifying —whether implementing conversion or dismissal of FSS -- (a) to whom (and when) the CRO should transfer control of the assets (including bank accounts), and (b) during any transition period, the degree to which (or any other individual who may be tasked with the transition) has authority (subject to, of course, the rights of any Jones chapter 7 trustee or FSS chapter 7 trustee) to take all actions necessary to maximize and protect the value of FSS and its assets and premises.

2. Trustee further acknowledges that if the captioned chapter 11 case is dismissed, the issue of Mr. Jones governance authority over FSS once his personal case converts to a Chapter 7

(which is anticipated to occur on June 14, 2024) should be clarified by the Court. However, this acknowledgment is not intended as a position on the legal issues surrounding the matter. With this Statement, Trustee does not take a legal position with respect to this issue.

3. Trustee filed a Report and Recommendation of Case Disposition at Docket No. 948 outlining considerations for the Court in determining whether to dismiss or convert this case to a chapter 7 case and making a recommendation regarding the same. The lack of clarity with respect to governance of FSS as referenced in Paragraph 2 above is one of the primary concerns related to dismissal of this case.

Respectfully Submitted,

HASELDEN FARROW PLLC

By: /s/ Melissa A. Haselden

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Subchapter V Trustee

Certificate of Service

I certify that on June 13, 2024, a copy of this statement was sent to the parties listed below by the Court's ECF notification system.

/s/ Elizabeth C. Freeman
Elizabeth C. Freeman