

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA**

In re:)	
)	
CDF, INC.,)	Case No. 25-10197-JCO
)	Chapter 11- Sub V
Debtor.)	

ORDER

This matter came before the Court July 8, 2025, on the Motion to Sell Real Estate (“Motion to Sell”) filed by the Debtor, CDF Inc., (“CDF”), the Objection filed by Carl Parson (“Parson”), and CDF’s Response. (Docs. 84, 97, 99). Proper notice of hearing was given and appearances were noted by Mark Zimlich as Bankruptcy Administrator, Attorney J. Willis Garrett as counsel for CDF, Attorney Marion E. Wynne and Attorney Clark Hammond as counsel for Parson, Attorney Josh Friedman as counsel for American Heritage Bank (“AHB”), and Attorney William Howard Harris as the Subchapter V Trustee. Upon consideration of the pleadings, the record, and the arguments of counsel, the Court finds good and reasonable grounds for the entry of this Order Granting the Motion to Sell as follows.

FINDINGS OF FACT¹

CDF filed the instant Subchapter V Chapter 11 on January 24, 2025. The Debtor’s bankruptcy schedules reflect ownership of real property in Tulsa Oklahoma, commonly referred

¹ Although a full evidentiary hearing was not conducted, the findings herein are supported by the record, statements of counsel regarding undisputed facts, and uncontroverted exhibits which were attached to the pleadings.

to as 208 E. 46th Street, Tulsa Ok 74105 (the “Oklahoma Property”), subject to a mortgage of American Heritage Bank (“AHB”). The Debtor’s schedules list Parson as a creditor. Parson filed a proof of claim in the case based on monetary judgments obtained against CDF in 2018, 2019, and 2021.² On or about February 15, 2018, CDF executed a quit-claim deed transferring its interest in the Oklahoma Property to FARPRO LLC (“Quit-Claim Deed”).³ (Doc. 99 at 25). Parson thereafter requested and obtained an Order from the District Court for Rogers County, Oklahoma granting his Motion to Vacate CDF’s Quit-Claim Deed to FARPRO, LLC (“May 19, 2023 Order”). (Doc. 99 at 7-25 and 78-80).⁴

AHB’s proof of claim reflects an outstanding balance of approximately \$209,597.51 on its mortgage on the Oklahoma Property which was recorded on August 19, 2016.⁵ CDF proposed to sell the Oklahoma Property to an unrelated third party for \$205,000.00 and apply all the proceeds to AHB’s mortgage lien. (Doc. 84). Parson objected to the proposed sale asserting that CDF does not own the Oklahoma Property and therefore lacks the authority to sell it.⁶ (Doc. 97). CDF argues that Parson is well aware that he requested and obtained Orders of the Oklahoma Court setting aside and vacating CDF’s transfer to FarPro LLC.⁷ At the hearing, Parson’s Counsel acknowledged that AHB has a valid mortgage on the Oklahoma Property and that \$205,000.00 seems to be a fair sale price.

²ECF Claim No. 4-1, reflecting total debt of \$386,987.14 based on domesticated judgments and asserting \$121,200.00 as secured.

³ The Quit-Claim deed reflects it was notarized and recorded on August 29, 2018.

⁴ Parsons Motion For Order to Vacate and Avoid the CDF Inc. Tulsa County Deed (doc 99) was filed in the District Court of Rogers County, Oklahoma on September 20, 2022 and includes a copy of the Quit-Claim Deed as Exhibit D. The Rogers County District Court Order entered May 19, 2023, states in part, “ . . . It is Further Ordered that Plaintiff’s Motion for Order to Vacate and Avoid CDF, Inc. Tulsa County Deed filed September 20, 2022 is Granted.” (doc. 99 at 79).

⁵ ECF Claim No. 1-1

⁶ Parson’s Objection also contends that AHB does not have a valid mortgage lien, but Parson’s counsel abandoned that position at the July 8th hearing.

⁷ Doc. 99 at 2.

ANALYSIS

Section 541(a)(1) of the Bankruptcy Code provides that property of the estate consists of “all legal or equitable interests of the debtor in property as of the commencement of the case.” 11 *U.S.C. § 541(a)(1)*; see also *United States v. Whiting Pools, Inc.*, 462 U.S. 198, 204, 103 S.Ct. 2309, 76 L.Ed.2d 515 (1983) (“Congress intended a broad range of property to be included in the estate.”). *In re Lewis*, 137 F.3d 1280, 1283 (11th Cir. 1998)(“ ‘Property of the estate’ is defined broadly.”) Under the expansive language of §541, “the term ‘property’ has been construed most generously and an interest is not outside its reach because it is novel or contingent or because enjoyment must be postponed.” *Segal v. Rochelle*, 382 U.S. 375, 379, 86 S.Ct. 511, 15 L.Ed.2d 428 (1966).

CDF’s interest in the Oklahoma Property is sufficient to constitute property of the bankruptcy estate and confer jurisdiction on this Court. As the Debtor’s property interest are governed by state law and CDF’s interest in the Oklahoma Property was already adjudicated by the Oklahoma state court, it is not appropriate for this Court to re-litigate that issue.⁸ Parson’s current position, that CDF does not hold the requisite ownership in the Oklahoma Property, is contrary to his prior state court pleadings and the May 19, 2023 Order of the Oklahoma state court and therefore is untenable. Additionally, the Debtor listed its interest in the Oklahoma Property in its bankruptcy schedules. Parson’s counsel’s acknowledgment of AHB’s first mortgage lien (which approximates or exceeds the sale price) and the reasonableness of the proposed sale price also support approval of the Motion to Sell.

⁸ See May 19, 2023 Order of the District Court of Rogers County, Oklahoma granting Parson’s Motion to Vacate the Quit-Claim from CDF to FARPRO, LLC. (Doc. 99 at 79). The Order reflects that it was signed on May 17, 2023 and docketed on May 19, 2023.

CONCLUSION

Based on the above, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1. The Motion to Sell is GRANTED, to the extent of the Debtor's interest in the Oklahoma Property.⁹
2. The proceeds of the sale, less the previously approved real estate commission and expenses of closing, shall be remitted to American Heritage Bank ("AHB") for payment of its first mortgage lien.¹⁰
3. Any proceeds remaining after remittance of the amount necessary to obtain a release of AHB's mortgage interest in the Oklahoma Property shall be held pending further order of This Court.

Dated: July 11, 2025



JERRY OLDSHUE
CHIEF U.S. BANKRUPTCY JUDGE

⁹ As this Court does not have the benefit of a title report, this Order should not be construed as a finding as to the extent of the Debtor's interest in the Oklahoma Property or the marketability of title, as such matters will be left to the Buyer or title insurance company, if applicable.

¹⁰ This Order should not be construed to require AHB to accept less than its full balance for satisfaction of its mortgage lien. Notwithstanding the foregoing, this Order should be construed to prevent AHB from negotiating a release of its mortgage for less than the full balance owed to facilitate the proposed sale.