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8 *Attorneys for David A. Birdsell, Trustee*

9
10 **IN THE UNITED STATES BANKRUPTCY COURT**
11 **FOR THE DISTRICT OF ARIZONA**

12 In re:

13 [TITAN SOLAR POWER] PM & M
14 ELECTRIC, INC.,

15 Debtor.

16
17 THIS FILING APPLIES TO:

18 ☒ All Debtors
19 ☐ Specified Debtors

Chapter 7 Proceedings

Jointly Administered under

Case No. 2:24-bk-04978-MCW

**TRUSTEE'S STIPULATED
MOTION TO COMPROMISE
CLAIMS AMONG AFFILIATED
ESTATES**

[F.R.B.P. 9019]

20 David A. Birdsell, David M. Reaves, Anthony H. Mason, and Lothar Goernitz, chapter
21 7 bankruptcy trustees for all of the debtors in this jointly administered case (collectively
22 referred to as the “**Trustees**”), by and through undersigned, herein file this *Trustee’s Stipulated*
23 *Motion to Compromise Claims Among Affiliated Estates* (“**Motion**”) seeking to compromise
24 various claims among these affiliated bankruptcy estates. This Motion is supported by the
25 incorporated Memorandum of Points and Authority and the entire record of this administrative
26 case.

27 **MEMORANDUM OF POINTS AND AUTHORITIES**

28 **I. FACTUAL BACKGROUND**

1. David A. Birdsell is the Chapter 7 trustee for the following fourteen (14) bankruptcy
estates (the “**Birdsell Estates**”):

- PM & M Electric, Inc. [Titan Solar Power] 2:24-bk-04978-MCW
- Titan Solar Power AZ, Inc. 2:24-bk-04979-MCW
- Titan Solar Power FL, Inc. 2:24-bk-05226-MCW
- Titan Solar Power ID, Inc. 2:24-bk-05228-MCW
- Titan Solar Power IL, Inc. 2:24-bk-05230-MCW
- Titan Solar Power LA, Inc. 2:24-bk-05231-MCW
- Titan Solar Power MD, Inc. 2:24-bk-05233-MCW
- Titan Solar Power MO, Inc. 2:24-bk-05234-MCW
- Titan Solar Power MS, Inc. 2:24-bk-05235-MCW
- Titan Solar Power NC, Inc. 2:24-bk-05238-MCW
- Titan Solar Power NM, Inc. 2:24-bk-05240-MCW
- Titan Solar Power OH, Inc. 2:24-bk-05241-MCW
- Titan Solar Power TN, Inc. 2:24-bk-05245-MCW
- Titan Solar Power WI, Inc. 2:24-bk-05251-MCW

2. David M. Reaves is the Chapter 7 trustee for the following five (5) bankruptcy estates (the “**Reaves Estates**”):

- Titan Solar Power CO, Inc. 2:24-bk-05225-MCW
- Titan Solar Power TX, Inc. 2:24-bk-05248-MCW
- Titan Solar Power UT, Inc. 2:24-bk-05249-MCW
- Titan Solar Power VA, Inc. 2:24-bk-05250-MCW
- Titan Electrical Services, Inc. 2:24-bk-05253-MCW

3. Anthony H. Mason is the Chapter 7 trustee for the following four (4) bankruptcy estates (the “**Mason Estates**”):

- Titan Solar Power CA, Inc. 2:24-bk-05224-MCW
- Titan Solar Power NJ, Inc. 2:24-bk-05239-MCW
- Titan Solar Power SC, Inc. 2:24-bk-05243-MCW
- Titan Solar Power GA, Inc. 2:24-bk-05227-MCW

1 4. Lothar Goernitz is the Chapter 7 trustee for the Estate of Titan Solar Power NV, Inc.
2 2:24-bk-5025-MCW (“**Goernitz Estate**” and collectively with the Birdsell Estates, the Reaves
3 Estates, and the Mason Estates, the “**Estates**”).

4 5. The Birdsell Estates, Reaves Estates, and Mason Estates are jointly administered under
5 the lead case, PM & M Electric, Inc. [Titan Solar Power], case number 2:24-bk-04978-MCW
6 (“**Lead Case**”).

7 6. Debtors’¹ bankruptcy cases were commenced by voluntary petitions filed under
8 Chapter 7 of Title 11 in June 2024.

9 7. Prepetition, Debtors were in the business of, *inter alia*, installing solar panels in
10 different states all over the country.

11 8. Upon information and belief, the Debtors operated independently in specific states and
12 PM & M Electric, Inc. (“**PMM**”) served as a quasi-parent company. Despite being distinctly
13 separate legal entities, at times it appears the Debtors pooled assets and funds when necessary for
14 business operations – this includes making intercompany loans/transfers between the Debtors,
15 utilizing single insurance policies that covered multiple debtors, sharing employees/directors, and
16 incurring debt together.

17 9. Given the foregoing business model, there are a variety of assets that may be titled,
18 owned, or held in the name of an individual debtor that belong to some or all of the Debtors.

19 10. Given the number of Debtors, the volume of financial data, and the complexity of the
20 financial entanglement amongst the Debtors, the Trustees believe that unraveling all of the claims
21 and asset issues amongst them would be incredibly costly (likely over \$250,000.00) and would
22 cause serious delays to administration of the Estates.

23 11. The Trustees propose to treat the following assets as shared assets more fully set forth
24 below (“**Shared Assets**”):

25

Relevant Pleading			Docket Entry	Value
Settlement	Proceeds	from Trustees v.	Lead Case DE: 759	\$5,000,000.00

26

27

28 ¹ “**Debtors**” refers collectively to all Titan entities listed in Paragraphs 1-4.

<i>Kenneth Williams, et al.</i> 2:25-ap-00115-MCW (“Adversary”)	Nevada DE ² : 167	
Cash surrender value of whole life insurance policy proceeds	Lead Case DE: 283 and 288	\$1,713,742.00
Sale of Customer List	Lead Case DE: 400 and 529 Nevada DE: 105 and 123	\$65,000.00
Possible refund from First Insurance Funding ³	NA	Unknown
TOTAL		\$6,778,742.00

12. The Trustees propose to treat the following costs as costs to be shared amongst the Estates as more fully set forth below (“Shared Costs”):

Paid by	Cost	Purpose	Amount of Cost
PM&M 9/20/24	First Insurance Funding	Lead Case DE: 77 Estate Insurance Policies	\$17,144.48
PM&M 10/2/24	First Insurance Funding	Lead Case DE: 77 Estate Insurance Policies	\$17,144.48
PM&M 10/11/24	First Insurance Funding	Lead Case DE: 77 Estate Insurance Policies	\$45,807.50
PM&M 10/11/24	First Insurance Funding	Lead Case DE: 77 Estate Insurance Policies	\$9,161.50
PM&M 12/4/24	Blue Banyan	Lead Case DE: 114 IT Services	\$4,079.17
PM&M 12/5/24	First Insurance Funding	Lead Case DE: 77 Estate Insurance Policies	\$9,161.50
PM&M 1/6/25	First Insurance Funding	Lead Case DE: 77 Estate Insurance Policies	\$9,161.50
PM&M 2/4/25	First Insurance Funding	Lead Case DE: 77 Estate Insurance Policies	\$17,144.48
PM&M	Blue Banyan	Lead Case DE: 114	\$1,008.33

² “Nevada DE” refers to the docket entry of the filing in the Lothar Estate.

³ First Insurance Funding (“FIF”) represented that it financed 12 insurance premiums for the Debtors pre-petition. (Lead Case DE 33, pg. 2, ¶ 7). FIF and certain Trustees expressly agreed not to cancel the Management Policy and Package Policy. (Lead DE 33, pg. 6, ¶ 2). Given the foregoing, Trustee Birdsell made payments for, *inter alia*, the Package Policy. (Lead DE 33, pg. 7, ¶ 6). FIF represented the Package Policy would remain in place. However, the Trustees allege FIF failed to make payments necessary or take actions necessary to reinstate the Package Policy, giving the Trustees rise to claims against FIF for reimbursement for all funds paid to FIF for the Package Policy.

2/1/25		IT Services	
PM&M 6/18/25	Inertia	Lead Case DE: 652	\$35,298.09
Titan Solar Power AZ, Inc. 8/15/24	Blue Banyan	Lead Case DE: 114 IT Services	\$9,800.00
Titan Solar Power AZ, Inc. 10/2/24	Blue Banyan	Lead Case DE: 114 IT Services	\$2,589.58
Titan Solar Power AZ, Inc. 1/6/25	Blue Banyan	Lead Case DE: 114 IT Services	\$11,527.10
Titan Solar Power AZ, Inc. 1/22/25	Blue Banyan	Lead Case DE: 114 IT Services	\$5,041.67
Titan Solar Power AZ, Inc. 4/9/25	Blue Banyan	Lead Case DE: 114 IT Services	\$2,291.67
Titan Solar Power AZ, Inc. 5/5/25	Blue Banyan	Lead Case DE: 114 IT Services	\$12,650.01
Titan Solar Power AZ, Inc. 6/6/25	Blue Banyan	Lead Case DE: 114 IT Services	\$2,727.08
TOTAL			\$211,738.14

13. As such, the Trustees propose this global settlement to resolve the issues delineated herein.

II. SETTLEMENT PROPOSAL

14. Subject to Bankruptcy Court approval, the Trustees propose the following global settlement:

- a. The Trustee agrees agree to split the Shared Assets pursuant to the attached Exhibit A⁴. Trustee Birdsell is holding (or will soon be holding) the entirety of the Shared Assets in the bankruptcy estate for PMM⁵.
 - i. Within thirty days after the entry of an Order approving this Application, Trustee Birdsell shall distribute from the appropriate PMM estate bank account, the funds delineated in Column G of Exhibit A to the

⁴ The proposed distributions are based on the respective Debtors' 2023 financials.

⁵ The settlement proceeds from the Adversary will be deposited into a separate PMM bank account.

appropriate Trustee⁶. The foregoing distribution represents each estate's interest in the Shared Assets;

- ii. Within thirty days after receipt of the distribution from Trustee Birdsell, the Trustees shall reimburse the PMM and the Titan Solar Power AZ, Inc. bankruptcy estates for payment of Shared Costs pursuant to Columns E and F of Exhibit A⁷;
- iii. Within thirty days after the later of the entry of an Order approving this Application or the entry of an Order approving the *Trustee's Motion: (1) to Approve Settlement Pursuant to Bankruptcy Rule 9019; and for (2) Payment of Special Counsel's Fees and Costs ("D&O 9019")* (Lead Case DE 759 and Nevada DE 167), the Trustees shall pay Special Counsel pursuant to Column H of Exhibit A;
- iv. Within thirty days after the later of the entry of an Order approving this Application or the entry of an Order approving the *First Fee Application for Allowance and Payment of Trustee's Forensic Accountant and Financial Advisor's Fees and Expenses ("Resolute Fee Application")* (Lead Case DE 760 and Nevada DE 168), the Trustees shall pay Resolute pursuant to Column I of Exhibit A; and
- v. From the Shared Asset distributions, Trustee Birdsell, in his capacity as Trustee for PMM, will be paid compensation under **11 U.S.C. § 326** for distributing the \$1,713,742.00⁸ (this includes the distributions to the other estates and any remaining distribution from PMM), but will not be paid a commission for the distribution from PMM to the other bankruptcy estates on the remaining \$5,065,000.00⁹, as these amounts

⁶ PMM will retain its share of the funds as reflected in Exhibit A.

⁷ This provision does not apply to PMM.

⁸ This figure is the total of the cash surrender value of the life insurance policies.

⁹ The amounts represent the proceeds from the sale of the customer list (\$65,000.00) and the proceeds from the settlement of Adversary (\$5,000,000.00).

1 were being held on behalf of the other bankruptcy estates and were not
2 solely property of the PMM bankruptcy estate.

3 b. The Trustees have continued to extend the deadline by which they may file
4 claims against these affiliated Estates. The Trustees agree to waive any and all
5 claims between and among the Estates that are parties to this Motion. To the
6 extent the Trustees had to file claims in these Estates, such an endeavor would
7 likely be incredibly costly given the intertwined nature of the financials amongst
8 the Debtors. Therefore, the Trustees anticipate that the administrative costs
9 associated with pursuit of the claims would likely exceed any recovery¹⁰.

10 c. To the extent there are future Shared Costs, the Trustees propose to split them in
11 accordance with the Column D of Exhibit A and will file an *ex parte* Request to
12 Pay and lodge an appropriate Order.

13 i. The Trustees anticipate additional shared mailing costs. The Trustees
14 agree that the mailing costs associated with noticing the D&O 9019,
15 Resolute Fee Application, this Application, any notice of hearing, and
16 any pleading that relates to all Estates shall be a Shared Cost subject to
17 the percentage split delineated in Column D of Exhibit A. After the
18 foregoing have been noticed, the Trustees will file a Notice of Costs
19 which sets forth the total mailing costs and the proposed distribution of
20 costs consistent with Exhibit A. The Trustees believe that noticing items
21 together will help reduce costs and streamline the notice process.

22 **III. LEGAL ARGUMENT**

23 The requested relief is authorized by Rule 9019(a) of the Federal Rules of Bankruptcy
24 Procedure which provides as follows:

25 On motion by the trustee and after notice and a hearing, the court may approve a
26 compromise or settlement. Notice shall be given to creditors, the United States
Trustee, the debtor, the indenture trustee as provided in Rule 2002 and to any

27 ¹⁰ Further, the Trustee anticipates that any claim held by an Estate against another estate would be a
28 general unsecured claim. Given many estates have higher priority claims, recovery to such an
unsecured claim is speculative.

1 other entity as the court may direct.

2 The Trustee, in the exercise of his best business judgment and in consideration of the
3 requirements of *A & C Properties*, 784 F.2d 1377 (9th Cir. 1986), *In re Woodson*, 839 F.2d 610
4 (9th Cir. 1988), and *In re Schmitt*, 215 B.R. 417 (9th Cir. BAP 1997), believes that the proposed
5 compromise and settlement is an appropriate resolution of this matter.

6 Bankruptcy courts have broad discretion in approving compromise agreements. *In re*
7 *Woodson* 839 F.2d at 620. The Court may approve a compromise if it is fair and equitable. *Id.* In
8 determining the fairness and adequacy of a proposed compromise agreement, the Court should
9 consider the following four factors: (1) the probability of success in litigation; (2) the difficulties,
10 if any, to be encountered in collection; (3) the complexity of the litigation involved as well as the
11 expense, inconvenience and delay necessarily attendant to the litigation; and (4) the paramount
12 interest of creditors and a proper deference to their reasonable views.

13 Consideration of these factors does not require the Court to decide questions of law or fact
14 raised in the controversies sought to be settled, or determine that the compromise presented is the
15 best possible outcome. Rather, the Court need only canvass the issues to determine whether the
16 settlement fails “below the lowest point in the zone of reasonableness”. *Newman v. Stein*, 464
17 F.2d 689, 698 (2nd Cir. 1972). cert. denied. 409 U.S. 1039 (1972); see also *In re Pennsylvania*
18 *Truck Lines, Inc.*, 150 B.R. 595, 598 (Bankr. E.D. Pa. 1992) (holding that a bankruptcy court must
19 consider these factors to see whether the settlement falls below the lowest point in the range of
20 reasonableness.) Accordingly, if the court finds the compromise does not fall below the threshold
21 of reasonableness, the compromise should be approved. *In re Planned Protective Services, Inc.*,
22 130 B.R. 94, 99 n.7 (Bankr. C.D. Cal. 1991).

23 This settlement resolves a plethora of issues that if fully adjudicated could take years and
24 hundreds of thousands of dollars to resolve. As the Court is aware, there are twenty-five related
25 debtor entities. The financials of the entities are not stellar. If the Trustees had to unwind and trace
26 all assets back to the original/appropriate source, doing so would be costly and time consuming.
27 Keeping the foregoing in mind, the Trustees propose this settlement to eliminate the time delays
28 and costs associated with dividing assets and costs amongst the Estates. The Trustee believe the

1 proposed settlement greatly reduces administrative costs while preserving assets for the benefit of
2 the Estates.

3 WHEREFORE, the Trustee prays for an Order of this Court as follows:

- 4 A. Approving this Application;
5 B. Approving the proposals delineated on Exhibit A; and
6 C. For such other relief as the Court deems just and proper.

7 RESPECTFULLY SUBMITTED this 23rd day of October, 2025.

8 **NACH, RODGERS, HILKERT & SANTILLI**

9 By /s/ Adam B. Nach
10 Adam B. Nach
11 Attorney for Trustee, David A. Birdsell

12 **REAVES LAW GROUP, PC.**

13 By /s/ David M. Reaves (with permission)
14 David M. Reaves
Trustee

15 **BURCH & CRACCHIOLO, P.A.**

16 By /s/ Shawn A. McCabe (with permission)
17 Shawn A. McCabe
18 Attorney for Trustee, Anthony H. Mason

19 **NACH, RODGERS, HILKERT & SANTILLI**

20 By /s/ Helen K. Santilli (with permission)
21 Helen K. Santilli
22 Attorney for Trustee, Lothar Goernitz
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Exhibit “A”

Debtor	Case Number	Trustee	Estate % of Shared		Estate % of Shared Costs to PMM	Estate % of Shared Assets	Estate Payment to Special Counsel	Estate Payment to Resolute
			Rounded %	Costs to Titan Solar AZ				
PM & M Electric, Inc.	2:24-bk-04978-MCW	Birdsell	0.0494	\$2,303.38	\$8,156.48	\$334,869.85	\$98,800.00	\$6,493.61
Titan Solar Power AZ, Inc.	2:24-bk-04979-MCW	Birdsell	0.1679	\$7,828.69	\$27,722.14	\$1,138,150.78	\$335,800.00	\$22,070.37
Titan Solar Power CA, Inc.	2:24-bk-05224-MCW	Mason	0.1254	\$5,847.04	\$20,704.92	\$850,054.25	\$250,800.00	\$16,483.77
Titan Solar Power CO, Inc.	2:24-bk-05225-MCW	Reaves	0.0492	\$2,294.05	\$8,123.46	\$333,514.11	\$98,400.00	\$6,467.32
Titan Solar Power FL, Inc.	2:24-bk-05226-MCW	Birdsell	0.1451	\$6,765.59	\$23,957.61	\$983,595.46	\$290,200.00	\$19,073.32
Titan Solar Power GA, Inc.	2:24-bk-05227-MCW	Mason	0.0156	\$727.38	\$2,575.73	\$105,748.38	\$31,200.00	\$2,050.61
Titan Solar Power ID, Inc.	2:24-bk-05228-MCW	Birdsell	0.0009	\$41.96	\$148.60	\$6,100.87	\$1,800.00	\$118.30
Titan Solar Power IL, Inc.	2:24-bk-05230-MCW	Birdsell	0.0452	\$2,107.55	\$7,463.02	\$306,399.14	\$90,400.00	\$5,941.52
Titan Solar Power LA, Inc.	2:24-bk-05231-MCW	Birdsell	0.0038	\$177.18	\$627.42	\$25,759.22	\$7,600.00	\$499.51
Titan Solar Power MD, Inc.	2:24-bk-05233-MCW	Birdsell	0.0138	\$643.45	\$2,278.53	\$93,546.64	\$27,600.00	\$1,814.00
Titan Solar Power MO, Inc.	2:24-bk-05234-MCW	Birdsell	0.0127	\$592.16	\$2,096.91	\$86,090.02	\$25,400.00	\$1,669.41
Titan Solar Power MS, Inc.	2:24-bk-05235-MCW	Birdsell	0.0077	\$359.03	\$1,271.35	\$52,196.31	\$15,400.00	\$1,012.16
Titan Solar Power NC, Inc.	2:24-bk-05238-MCW	Birdsell	0.0431	\$2,009.63	\$7,116.29	\$292,163.78	\$86,200.00	\$5,665.47
Titan Solar Power NJ, Inc.	2:24-bk-05239-MCW	Mason	0.0129	\$601.49	\$2,129.93	\$87,445.77	\$25,800.00	\$1,695.70
Titan Solar Power NM, Inc.	2:24-bk-05240-MCW	Birdsell	0.0327	\$1,524.71	\$5,399.13	\$221,664.86	\$65,400.00	\$4,298.40
Titan Solar Power NV, Inc.	2:24-bk-05025-MCW	Goernitz	0.0785	\$3,660.23	\$12,961.22	\$532,131.25	\$157,000.00	\$10,318.79
Titan Solar Power OH, Inc.	2:24-bk-05241-MCW	Birdsell	0.008	\$373.02	\$1,320.89	\$54,229.94	\$16,000.00	\$1,051.60
Titan Solar Power SC, Inc.	2:24-bk-05243-MCW	Mason	0.0264	\$1,230.96	\$4,358.93	\$178,958.79	\$52,800.00	\$3,470.27
Titan Solar Power TN, Inc.	2:24-bk-05245-MCW	Birdsell	0.00423	\$197.23	\$698.42	\$28,674.08	\$8,460.00	\$556.03
Titan Solar Power TX, Inc.	2:24-bk-05248-MCW	Reaves	0.10557	\$4,922.42	\$17,430.77	\$715,631.79	\$211,140.00	\$13,877.12
Titan Solar Power UT, Inc.	2:24-bk-05249-MCW	Reaves	0.0084	\$391.67	\$1,386.93	\$56,941.43	\$16,800.00	\$1,104.18
Titan Solar Power WI, Inc.	2:24-bk-05251-MCW	Birdsell	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Titan Solar Power VA, Inc.	2:24-bk-05250-MCW	Reaves	0.0398	\$1,855.76	\$6,571.42	\$269,793.93	\$79,600.00	\$5,231.69
Titan Electrical Services, Inc.	2:24-bk-05253-MCW	Reaves	0.0037	\$172.52	\$610.91	\$25,081.35	\$7,400.00	\$486.36
			1	\$46,627.11	\$165,111.03	\$6,778,742.00	\$2,000,000.00	\$131,449.50

Shared Assets held by PM&M		Shared Costs Paid by PM&M		Shared Costs Paid by Titan Solar Power AZ	
	Amount		Amount		Amount
Life Insurance Policy Turnover	\$1,713,742.00	PMM - 9/20/24 First Insurance Funding	\$17,144.48	AZ - 8/15/24 Blu Banyan	\$9,800.00
Sale of Customer List	\$65,000	PMM - 10/2/24 First Insurance Funding	\$17,144.48	AZ - 10/2/24 Blu Banyan	\$2,589.58
Settlement Proceeds from Trustees v. Kenneth Williams, et al.					
2:25-ap-00115-MCW	\$5,000,000	PMM - 10/11/24 First Insurance Funding	\$45,807.50	AZ - 1/6/25 Blu Banyan	\$11,527.10
TOTAL	\$6,778,742.00	PMM - 10/11/24 First Insurance Funding	\$9,161.50	AZ - 1/22/ Blu Banyan	\$5,041.67
		PMM - 12/4/24 Blue Banyan	\$4,079.17	AZ - 4/9/25 Blu Banyan	\$2,291.67
		PMM - 12/5/24 First Insurance Funding	\$9,161.50	AZ - 5/5/25 Blu Banyan	\$12,650.01
		PMM - 1/6/25 First Insurance Funding	\$9,161.50	AZ - 6/6/ Blu Banyan	\$2,727.08
		PMM - 2/4/2025 First Insurance Funding	\$17,144.48	TOTAL	\$46,627.11
		PMM - 2/21/25 Blue Banyan	\$1,008.33		
		PMM - 6/18/25 Inertia	\$35,298.09		
		TOTAL	\$165,111.03		
		Unpaid Shared Costs	Amount		
		Rusing Lopez & Lizardi PLLC			
		Adversary Special Counsel	\$2,000,000.00		
		Resolute Commercial Services, LLC	\$131,449.50		
		TOTAL	\$2,131,449.50		