

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION  
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In re:

Chapter 11

EAGLE HEMP, LLC,  
TRIM LIFE LABS, LLC,

Case No. 8:23-bk-04137-RCT  
Case No. 8:23-bk-04138-RCT

Debtors.

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*Joint Administration Motion Pending*

**CHAPTER 11 JOINT CASE MANAGEMENT SUMMARY**

EAGLE HEMP, LLC (“**EH**”) and TRIM LIFE LABS, LLC (“**TLL**”) (collectively, the “**Debtors**”), pursuant to Local Rule 2081-1, hereby file their Chapter 11 Case Management Summary (the “**Summary**”). For their Summary, the Debtors state the following:

**Introduction**

On September 20, 2023 (the “**Petition Date**”), the Debtors filed their Voluntary Petitions for Relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”).

**Case Management Items**

**Description of the Debtors’ Businesses**

**EH**. EH is a Florida limited liability company which was formed in June of 2019. EH manufactures and sells ultra-purified full spectrum cannabidiol (“**CBD**”) products formulated with U.S. grown hemp and extracted using Good Manufacturing Practices at facilities certified to meet FDA quality standards. The CBD products include tinctures, gummies, and topical cream. EH manufactures CBD oil for its products at its facility in Lakeland, Florida.

**TLL**. TLL is a Florida limited liability company which was formed in July of 2021. TLL markets and sells in the diet and health space with such products as apple cider vinegar gummies, Keto diet products, biotin products, melatonin gummies, and zinc tinctures.

**Location of Debtors' Operations and Whether Leased/Owned**

EH and TLL operate from that certain warehouse and office building located at 2855 Interstate Drive, Suite 111, Lakeland, Florida 33805, comprised of approximately 30,000 square feet, pursuant to that certain lease by and between EH and LIBP Investors, LLC ("**LIBP**"). In April of 2022, LIBP sold the property to Lakeland Interstate Business Center LLC, a Delaware limited liability company ("**LIBC**"), which is now the landlord of the premises under the lease. Neither EH nor TLL owns any real property.

**Reasons for Filing Chapter 11**

The Debtors' business operations were conducted through internet sales and monthly subscriptions with customers paying for product by credit card. Monthly subscriptions comprised approximately thirty percent (30%) of the Debtors' businesses. This business model necessitated that the Debtors utilize the services of Merchant eSolutions, Inc. d/b/a MerchantE, a credit card processing company to process customer payments. Not all credit card processing companies provide services to the hemp and CDB industry. In addition, the Debtors utilized affiliate marketers to market their products on the Internet.

During the week of July 4, 2022, MerchantE refused to remit proceeds from sales to the Debtors. This resulted in the Debtors being unable to pay their affiliate marketers, who then refused to market product for the Debtors. MerchantE advised the Debtors that it would be ceasing all credit card processing for the Debtors effective as of August 31, 2022, citing what turned out to be MerchantE's incorrect calculation of credit card chargebacks. This action had a devastating effect

on the Debtors' businesses. From approximately July 4<sup>th</sup> to August 31<sup>st</sup>, 2022, subscription sales continued but all other sales ceased. At the end of August 2022, all sales and processing ceased. The Debtors, which had thirty (30) employees, have had to scale back operations and EH now currently has a total of six (6) employees. Since September 2022, TLL has been able to secure a smaller credit card processing company to process sales. EH, since September 2022, was able to process minimal sales through a new credit card processing company that subsequently decided to get out of the CDB arena.

The Debtors contemplate a sale of their assets, including existing inventory and raw materials, enabling them to generate funds for the benefit of all creditors.

**List of Officers and Directors and Their Salaries and Benefits at Time of Filing and During the One Year Prior to Filing**

Eagle E-Commerce Group, LLC, a Florida limited liability company ("**Eagle E-Commerce**"), owns 100% of the membership interests in both EH and TLL. George Southworth is sole manager of EH, TLL, and Eagle E-Commerce. Barry M. Atkins is the President of both Debtors. For the twelve (12) months prior to the Petition Date, Barry M. Atkins received salary of \$109,230.00. Beginning July 8, 2023, Mr. Atkin's salary was reduced from an annual salary of \$120,000.00 to an annual salary of \$52,000.00. In addition, Eagle Hemp provides a term life insurance policy of \$50,000.00 to Mr. Atkins. During the course of these Chapter 11 cases, it is contemplated that Mr. Atkins' gross salary will be \$1,000.00 per week from EH and will receive no salary or benefits from TLL.

**Debtors' Annual Gross Revenues**

EH's annual gross revenue for 2022 was approximately \$32.8 million. EH's year to date gross revenue for 2023 is approximately \$142,000.00.

TLL's annual gross revenue for 2022 was approximately \$63.4 million. TL's year to date gross revenue for 2023 is approximately \$590,000.00.

### **Amounts Owed to Various Classes of Creditors**

Although the Debtors have not filed their Schedules or Statement of Financial Affairs, the Debtors believe that the creditors will be comprised of the following:

#### **Priority Claims:**

Current sales taxes are owed in the approximate total amount of \$100,000. No prepetition wages are owed to employees.

#### **Secured Claims:**

EH's secured obligations are comprised of amounts due and owing to (i) George L. Southworth Revocable Trust Dated February 17, 2006, as Amended (the "**GLS Trust**") and (ii) 3KS Family, LLLP ("**3KS**"). GLS Trust is owed approximately \$16.9 million based on a loan made to EH. 3KS is owed approximately \$4 million based on a loan made to EH. Each of GLS Trust and 3KS assert a lien on all of EH's assets, including but not limited to inventory, personal property, and accounts receivable. At this time, GLS Trust and 3KS consent to the use of cash collateral by the Debtors.

Shimadzu Scientific Instruments, Inc. ("**Shimadzu**") filed a UCC-1 Financing Statement as to EH in connection with certain measuring instruments identified in invoices attached to the financing statement. Shimadzu, however, was previously paid in full and has no interest in EH's assets.

TLL has no secured debt.

**Unsecured claims:**

EH owes approximately \$8.5 million to general unsecured creditors, including intercompany debt.

TLL owes approximately \$10.4 million to general unsecured creditors, including intercompany debt.

**General Description and Approximate Value of the Debtor's Current & Fixed Assets**

EH's principal assets consist of cash in bank accounts, accounts receivable, inventory, and raw materials.

TLL's principal assets consist of cash in bank accounts, accounts receivable, and inventory.

**Number of Employees and Amount of Wages Owed as of Petition Date**

EH has six employees and no prepetition wages are due and owing.

TL has no employees.

**Status of Debtor's Payroll and Sales Tax Obligations, if applicable**

The Debtors owed approximately \$2,165.28 in payroll taxes on the Petition Date, of which \$1,059.66 was paid on September 21, 2023 and \$1,105.62 will be paid on September 27, 2023. As reflected above, the Debtors owe sales tax in the approximate amount of \$100,000.00.

**Anticipated Emergency Relief Within 14 Days of Petition Date**

The Debtors do not anticipate filing any emergency motions as cash collateral, at this time, is being utilized at this time with consent of the secured creditor and no prepetition employee wages are due and owing. EH will be filing a motion to pay officer's salary.

WHEREFORE, the Debtors respectfully submit this as their Chapter 11 Joint Case Management Summary.

/s/ Elena Paras Ketchum

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing *Chapter 11 Joint Case Management Summary* has been furnished on this 22<sup>nd</sup> day of September, 2023, by the Court's electronic mail to all parties receiving CM/ECF electronic noticing.

/s/ Elena Paras Ketchum

Elena Paras Ketchum