

² The Trustee's allegations in this proceeding are set forth in detail in Judge Garrity's opinion granting in part and denying in part defendants' motion to dismiss the adversary proceeding. See *id.*, Dkt. No. 100.

The Trustee alleges that, in the spring of 2013, CIL's sole asset was direct and indirect ownership of 100% of the shares of CEVA Group, a holding company that controlled a number of entities in the international freight management business. *Id.* ¶¶ 1, 36. CIL was under the control of and owned almost entirely by the private equity firm **Apollo Global Management, LLC** ("Apollo"). *Id.* ¶ 2. Gareth Turner and Mark Beith (the "Directors") were CIL's directors and senior Apollo employees. *Id.* ¶¶ 2, 23-24. On April 1, 2013, CIL authorized CEVA Group to issue new shares to the newly created Apollo affiliate CEVA Holdings LLC ("CEVA Holdings"). *Id.* ¶¶ 108-09. Though [*3] CIL held the same number of shares before and after the restructuring, its ownership interest in CEVA Group was reduced to 0.01%, while CEVA Holdings gained the remaining 99.9% interest. *Id.* The newly issued shares were allegedly then used to equitize some of CEVA Group's debt, including unsecured debt held by Apollo, such that Apollo itself ultimately owned 21% of the recapitalized CEVA Group. *Id.* ¶ 112.

The Trustee alleges that this transaction stripped CIL of its only valuable asset without consideration, *id.* ¶ 111, and that the restructuring was the product of the Directors' breach of their fiduciary duties, aided and abetted by CEVA Group and CEVA Holdings. The Trustee also alleges several claims for fraudulent transfers among the defendants following the restructuring. Apollo is not a defendant in this adversary proceeding.

In August 2017, Michael McEvoy brought a putative class action against Apollo and the Directors (but not CIL or any CEVA entities) on behalf of CEVA Logistics managers who held restricted shares of stock in CIL at the time of the restructuring. See Class Action Complaint, *McEvoy v. Apollo Global Mgmt., LLC, et al.*, No. 17-cv-891 (M.D. Fla. 2017), ECF No. 1 ("Fl. [*4] Compl.") ¶ 13. McEvoy alleges that Apollo fraudulently induced class members to purchase shares in CIL and that Apollo and the Directors owed a duty of care to the employee investors that they breached in executing this restructuring.³

³ These allegations are described in greater detail in the bankruptcy court's Stay Order.

In October 2017, the Trustee filed a motion to enforce the bankruptcy's automatic stay and enjoin the prosecution of the Florida class action, arguing that the claims in that case were derivative and thus belonged to the estate and were subject to the automatic stay. Ch. 7 Dkt. No. 172; see also 11 U.S.C. § 362(a) (3) (prohibiting "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate"). McEvoy opposed the motion, contending, among other things, that he had sufficiently pled direct claims that belonged to the employee investors and so were not subject to the automatic stay. Ch. 7 Dkt. No. 180. The bankruptcy court granted the motion, holding that McEvoy plausibly alleged only derivative claims that were assets of the bankruptcy estate. Stay Order 27-28.

To succeed on a motion for leave to appeal an interlocutory bankruptcy court order under 28 U.S.C. § 158(a)(3),⁴ the movant must show that the appealed order "involves [*5] a

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