

STATE OF NORTH CAROLINA
LENOIR COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
24CVS000635-530

BEFORE THE NORTH CAROLINA BUSINESS COURT

JULIUS P. "JAY" CHERRY, JR. and
ANN B. CHERRY,

Plaintiffs,

vs.

ARMISTEAD B. MAUCK,

Defendant.

&

AJAL INVESTMENTS, LLC and
C-GAS, LLC,

Nominal Defendants.

**MOTION FOR ORDER: (I) ALLOWING PRIVATE SALE OF PROPERTY
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND
INTERESTS; (II) APPROVING STALKING HORSE BIDDER; AND (III)
APPROVING SALE PROCESS AND AUCTIONEER COMPENSATION**

George Mason Oliver, the duly appointed general receiver ("Receiver"), hereby moves the Court for an Order: (i) allowing sale of personal property free and clear of liens, claims, encumbrances, and interests with such liens, claims, encumbrances, and interests to attach to the proceeds of sale; (ii) approving stalking horse bidder, and (iii) approving sale process and auctioneer compensation (the "Motion"). In support of the Motion, Receiver shows unto the Court the following:

1. C-Gas, LLC ("C-Gas") is a closely held limited liability company. C-Gas has two members: Plaintiff Julius P. Cherry, Jr. ("Jay") and Defendant Armistead B.

Mauck (“Armistead”). Each hold an equal fifty percent interest and both are member-managers.

2. C-Gas is closely connected to AJAL and Cherry Oil. C-Gas’s assets consist of propane-related equipment, vehicles and customer lists which it leases to Cherry Oil. All or nearly all of C-Gas’s revenue comes from Cherry Oil’s rent payments.

3. On December 8, 2025, the Court entered its Order and Opinion on Motions for Summary Judgment. (*See* ECF No. 64). That Order and Opinion, *inter alia*, granted summary judgment to Armistead on his claim for a declaration that C-Gas is dissolved under the deadlock provision in its operating agreement. (*See* ECF No. 64 at 11-16).

4. On December 22, 2025, the parties filed their Joint Status Report on Bringing This Case to a Close. (ECF No. 66). For C-Gas, the parties agreed “that the Court should appoint a receiver for the winding down of C-Gas and orderly liquidation of its assets in accordance with section 12.3 of the Operating Agreement of C-Gas, LLC.” (ECF No. 66 at 2).

5. On February 17, 2026, the Court entered the Order Appointing Receiver. (ECF No. 65). The Order Appointing Receiver tasks the Receiver with selling the assets of C-Gas.

6. On April 2, 2026, the Court entered its Order Approving Receiver’s Third Request (ECF No. 76), which approved Receiver’s request to employ Country Boys Auction & Realty, Inc. (“Country Boys”) as auctioneer. Receiver’s request asked to employ Country Boys to auction the assets of C-Gas, for a ten percent commission

of the gross proceeds of the sale. This compensation structure has been modified by agreement between Receiver and Country Boys, as more fully explained herein.

7. Receiver and his advisors have determined that the best way to maximize the value of C-Gas's assets is through a stalking horse auction process, as outlined herein.

8. Receiver has received an offer from Jay, or an affiliated entity owned by him ("Stalking Horse Bidder" or "Purchaser"), which is acceptable to the Receiver as a stalking horse bid ("Stalking Horse Bid"). Stalking Horse Bidder has agreed that Receiver may publicize its bid as outlined herein as part of the stalking horse auction process. A copy of the Stalking Horse Bid is attached hereto as **Exhibit A**.

Proposed Sale

9. The assets to be sold are summarized below, along with the portion of the Stalking Horse Bid allocated to each type of asset:

Asset	Value
Propane Tanks ¹ (57-1000 Gallons) – 3,816	\$1,439,913.00
Bulk Storage Tanks – 6	\$ 258,329.00
Rolling Stock – 14 trucks/vehicles ²	\$ 110,000.00
DM Price Customer List	\$ 75.00
Herring Customer List	\$ 25.00
Total	\$1,808,342.00

10. The Stalking Horse Bid is expressly subject to approval by this Court in

¹ See attached **Exhibit C**.

² 2006 Ford Taurus (220k miles); 2013 Chevrolet Tahoe; 2015 Ford pickup XLT (187k miles); 2008 Ford pickup XLT (193k miles); 2015 F250 service truck (279k miles); 2018 F250 service truck (152k miles); 2019 F250 service truck (137k miles); 2017 Ford F-750 LP truck V10 (201k miles); 2009 International chassis only; 1999 International inoperable with LP tank; 2008 International LP truck (320k miles); 2006 International cab and chassis; 2004 International 4300 boom truck (364k miles); 2000 International LP truck not running with tank; 1991 International LP truck not running with tank; 1965 tank trailer; 2 LP tanks painted after taking off trucks not running and put on new trucks; 1994GMC salvage truck with LP tank

all respects. The Stalking Horse Bid and terms of the Sale Process can be summarized as follows:

Overview of Transaction	The Purchaser would acquire the Assets, in place without any requirement they be moved by Seller.
Property to be Purchased	All of C-Gas's assets shown in the table above ("Assets").
Purchase Price	\$1,808,342.00
Inspection Period / Due Diligence	Purchaser waives all due diligence.
Overbid Deadline	5:00 p.m. EST, August 21, 2026
Auction Date and location:	10:00 a.m. EST, August 25, 2026, The Law Offices of George Oliver, PLLC, 405 Middle Street, New Bern, NC 28560
Closing	Closing shall occur on or before September 25, 2026.
Financing Contingency	None.
Condition of Property	As-is, where-is, without any warranty, free and clear of liens, claims and encumbrances, including any leasehold interest of Cherry Oil Company, Inc..
Competing Bids	Must exceed Stalking Horse Bid by at least 15%, resulting in initial overbids of at least \$2,079,593.30.

11. Per the terms of the Stalking Horse Bid, Receiver also agrees with Stalking Horse Bidder that Cherry Oil Company, Inc. will not be required to provide any of its corporate information as part of the bid process, including without limitation sales records. In the event that Seller seeks to require such information, the Stalking Horse Bid will be automatically withdrawn by Stalking Horse Bidder, and deemed null.

12. C-Gas is willing to sell the Assets as identified more fully in **Exhibit A and Exhibit C** under the terms and conditions set forth in this Sale Motion with its attachments.

13. Receiver believes a sale that is in accordance with the conditions proposed in this Sale Motion is in the best interest of C-Gas and all parties in interest.

14. Receiver requests that the sale of the Assets be made free and clear of any and all liens, encumbrances, claims, rights and other interests, including but not limited to, any leasehold interest of Cherry Oil Company, Inc., which Cherry Oil Company, Inc. agrees to have released.

15. If any creditor or party in interest claiming a lien upon or interest in the Assets does not object within the time allowed, such creditor shall be conclusively deemed to have consented to sale of the Assets free and clear of its liens or interests.

16. Receiver asserts that the proposed sale was negotiated in good faith.

17. Receiver further asserts that the proposed sale represents an appropriate stalking horse bid in a court approved auction procedure, as detailed below.

Bidding Procedures

18. Receiver, through this Motion, seeks approval of a procedure for the orderly sale of the Assets to further maximize the recovery for the C-Gas on the terms set forth herein, according to the Bidding Procedures set forth below:

- a. Purchaser will serve as the Stalking Horse bidder for the Assets;
- b. Receiver shall determine whether the proponent of a proposed overbid has sufficient financial wherewithal to participate in the Bidding Procedures and be deemed a Qualified Bidder, in his sole discretion, and may request such documentation from any proponent of a proposed overbid as he deems necessary in his sole discretion;

- c. If one or more qualified overbids are received by Receiver by the Overbid Deadline, Receiver shall schedule an auction for the Qualified Bidders and Stalking Horse Bidder at Receiver's law office in New Bern, NC;
 - d. At the auction, bids shall be made in increments of \$100,000.00 over prior offer/bid with an initial minimum overbid requirement of \$2,079,593.30; and
 - e. The Overbid Offer and Registration Form is attached hereto as **Exhibit B-1**.
19. The Stalking Horse Bidder has no direct relationship with Receiver.
20. Receiver asserts that the Bidding Procedures provide for an efficient means to evaluate potential competing bids for the Assets, thereby providing the greatest potential to further maximize value.
21. Receiver believes that the designation of Purchaser as the Stalking Horse Bidder on the terms set forth herein are beneficial to the sales process and will aid Receiver in obtaining the maximum purchase price for the Assets. Specifically, such designation: (1) encourages early bidding; (2) aids Receiver in obtaining bids that may be higher and/or better than the bidder would have otherwise offered; (3) creates positive momentum going into the potential auction; (4) establishes a floor price for the bid deadline and process; and (5) provides greater certainty of closing.
22. Receiver respectfully requests that the Court approve these Bidding Procedures and the designation of Purchaser as the Stalking Horse Bidder for the proposed sale of the Assets on the terms set forth herein.
23. In the event that a Qualified Bidder is the winning bidder but fails to

close on the sale of the Assets, the next highest bidder shall be required to honor its next highest bid and close on the sale.

24. Failure to close on the sale of the Assets shall leave the nonperforming higher bidding parties with liability for breach of contract for the difference between the amount of the high bid and any future net sale proceeds received on the actual sale of the property, plus such other claims and causes of action as may be available under North Carolina law and such other laws as may apply.

25. Receiver requests that the Court establish a date for the auction whereby the Assets will be auctioned if one or more Qualified Bidders submit a qualifying overbid. Receiver proposes 10:00 am on August 25, 2026. In order to be a Qualified Bidder at the auction, Receiver must receive from such prospective Qualified Bidder on or before August 21, 2026 at 5:00 p.m. EST completed Offer & Bidder Registration Form (**Exhibit B-1**) and verification of sufficient funds readily available to pay the cash due at Closing; and a signed Overbid Purchase Agreement (**Exhibit B-2**).

26. Upon completion of the sale of the Assets, Receiver will file a subsequent Motion for authority to disburse the closing proceeds, except for the items specifically authorized herein.

27. Lastly, based upon the amount of the ultimate Purchase Price set forth in the Purchase Agreement, Receiver respectfully requests authorization to pay the commission of Country Boys from the sales proceeds at closing without separate application to the Court. Country Boys has agreed to reduce its commission from ten percent to five percent, if no qualified overbids are received.

WHEREFORE, Receiver prays upon the Court the following:

1. For an Order allowing the sale of the Assets free and clear of all liens, claims, encumbrances, rights and interests as described herein or as may otherwise exist;
2. For an Order allowing the sale of the Assets to the Stalking Horse Bidder based on the terms and condition as set forth in this Motion and the Court's orders;
3. For an Order allowing Jay to serve as the Stalking Horse Bidder;
4. For an Order approving the proposed Bidding Procedures;
5. For an Order establishing that the auction will take place as set forth herein, whereby the Assets will be auctioned if one or more Qualified Bidders submit a qualifying overbid; and
6. For such other and further relief as the Court may deem just and proper.

This the 24th day of June, 2026.

THE LAW OFFICES OF GEORGE OLIVER, PLLC

/s/ George M. Oliver

George Mason Oliver

N.C. State Bar No. 26587

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Attorney for Receiver

CERTIFICATE OF SERVICE

I hereby certify that I this day have served a copy of this pleading upon the other parties to this action by electronic email to the email addresses identified below, or by depositing a copy thereof in an envelope bearing sufficient postage in the United States mail addressed to counsel for said parties, this 24th day of June, 2026.

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Kinston, NC 28501
Party-in-Interest

Cherry Oil Co., Inc.
c/o Registered Agent, Julius P. Cherry, Jr. (via U.S. Mail)
2213 Hull Road
Kinston, NC 28504
Party-in-Interest

First National Bank of Pennsylvania (via U.S. Mail)
c/o Charles Anderson , Jr., Registered Agent
P.O. Box 33550
Raleigh, NC 27636
Creditor

This the 24th day of June, 2026.

THE LAW OFFICES OF GEORGE OLIVER, PLLC

/s/ George M. Oliver _____

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