

February 25, 2026

WHEREAS, a lawsuit, styled Sharon Stolte, as Liquidating Agent of the Continental American Corporation Liquidating Trust v. Dallas Water Utilities, Case No. 23-10938-11, Adversary Proceeding No. 25-05056, was filed by the plaintiff, Sharon Stolte, as Liquidating Agent of the Continental American Corporation Liquidating Trust, against Dallas Water Utilities, seeking the return of a \$70,001.02 payment made to Dallas Water Utilities on August 8, 2023; and

WHEREAS, the lawsuit is an adversary proceeding regarding the bankruptcy filed by the debtor Continental American Corporation. Continental American Corporation filed a Chapter 11 bankruptcy petition on September 22, 2023. The payment made by the debtor to Dallas Water Utilities on August 8, 2023, was paid within the 90-day preference period before the filing of the bankruptcy petition. Because the payment was made during the 90-day preference period, it is required to be paid back to the bankruptcy estate; and

WHEREAS, the plaintiff, Sharon Stolte, as Liquidating Agent of the Continental American Corporation Liquidating Trust has agreed to a proposed settlement of their claims whereby the City will pay Sharon Stolte, as Liquidating Agent of the Continental American Corporation Liquidating Trust, the law firm Sandberg Phoenix & von Gontard P.C. and all persons having an interest in the settlement proceeds, the total amount of \$70,001.02; and

WHEREAS, it is in the City's best interest to settle this lawsuit.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the proposed settlement of the lawsuit styled, Sharon Stolte, as Liquidating Agent of the Continental American Corporation Liquidating Trust v. Dallas Water Utilities, Case No. 23-10938-11, Adversary Proceeding No. 25-05056, in an amount not to exceed \$70,001.02 is hereby approved.

SECTION 2. That the Chief Financial Officer is hereby authorized to pay Sharon Stolte, as Liquidating Agent of the Continental American Corporation Liquidating Trust, the law firm Sandberg Phoenix & von Gontard P.C., and all persons having an interest in the settlement proceeds, the total amount of \$70,001.02 from Dallas Water Utilities Fund, Fund 0100, Department DWU, Unit 7015, Object 3041, Vendor MVDWU001.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.