UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

	)	CASE NO: 24-90377-mpi
	)	
ZACHRY HOLDINGS, INC. AND STATUTORY UNSECURED	)	Houston, Texas
CLAIMHOLDERS' COMMITTEE,	)	Monday, July 7, 2025
	)	
Debtors.	)	1:29 PM to 1:57 PM

HEARING

BEFORE THE HONORABLE MARVIN P. ISGUR
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For Debtors:	DAVID RYAN CORDELL, JR. Hicks Thomas LLP 700 Louisiana Street Houston, TX 77002
Also Appearing:	COLETTE GRIGSBY
	ROBERT GRIGSBY
Court Reporter:	UNKNOWN
Courtroom Deputy:	UNKNOWN
Transcribed by:	Veritext Legal Solutions 330 Old Country Road, Suite 300 Mineola, NY 11501 Tel: 800-727-6396

Proceedings recorded by electronic sound recording; Transcript produced by transcription service.

HOUSTON, TEXAS; MONDAY, JULY 7, 2025; 1:30 PM

(Call to Order)

THE COURT: Please be seated. All right. We are here in the Zachry Holdings case. The Case Number is 24-90377. If you're here on that case and you're in the courtroom, please come forward to these microphones right here. If you're on the phone, please press five star one time on your line.

MR. CORDELL: Good afternoon, Your Honor. Ryan Cordell with Hicks Thomas LLP, special litigation counsel to the Zachry reorganized debtors.

THE COURT: Thank you, Mr. Cordell. Good afternoon. Are y'all here on the Zachry case? Would you come on forward, please? Just right on up front here. Thank you. Tell me your names, please.

MS. GRIGSBY: My name is Colette Grigsby.

THE COURT: Could you spell your last name, please.

MS. GRIGSBY: I'm sorry, G-R-I-G-S-B-Y.

THE COURT: Thank you.

MR. GRIGSBY: My name is Robert Grigsby.

THE COURT: All right. Why don't we start with your claim. Let's see if we have anybody else on the phone. You don't happen to know your claim number, do you? I'll be

able to find it, but if you happen to know it, I'd be able to pull it faster.

MS. GRIGSBY: I don't know it by heart. No, sir.

THE COURT: Let me get it for you. All right. We're going to call claim -- the objection is Number 2200 to the claim of Colette Grigsby. Let's start with that, Mr. Cordell.

MR. CORDELL: So, Your Honor, there's actually 30 claims at issue today.

THE COURT: I'm going to start with them one at a time and we're going to start with the Grigsby claims, the one that you called frivolous and unsupported.

MR. CORDELL: Correct.

THE COURT: Why do you think the Grigsby claim is frivolous and unsupported?

MR. CORDELL: So the two claims have very limited information.

THE COURT: Why don't you tell me why they are frivolous and unsupported.

MR. CORDELL: The only information in Claim 1102...

THE COURT: What's frivolous about it? We'll start with that.

MR. CORDELL: It says services performed.

THE COURT: What's frivolous about it?

MR. CORDELL: We could not find anything in the records.

THE COURT: Why is that frivolous? What is frivolous about it?

MR. CORDELL: There's no description of what services were that would enable the debtors to...

THE COURT: She says they were rendered within 180 days of the petition date. You said she didn't provide documentation. What rule required her to provide documentation?

MR. CORDELL: It's not required, Your Honor. But the debtors did reach out to try to find more information so they could ascertain whether or not this claim was validly owed.

THE COURT: You said it was unknown or ambiguous. What was unknown or ambiguous about it? She said I'm owed wages for the 180 days before the petition date. It doesn't sound unknown or ambiguous.

MR. CORDELL: Well, the debtors were able to find Mr. and Miss Grigsby in the employment records. And looking at the payroll records, their determination was no additional amounts were owed.

THE COURT: Show me where it says that in your objection.

MR. CORDELL: It does not say that in the

objection to the declaration.

THE COURT: Well, why doesn't it? Why didn't you take your job seriously? You called their claim frivolous. You didn't make the objection that you actually had to it. You dragged them down to court today all because you didn't do it right. You said they didn't provide documentation they were required to provide and now you acknowledge they didn't have to. Tell me why we are here if you can't tell somebody when you're objecting to their claim what the objection is about.

MR. CORDELL: The objection is, Your Honor, there's nothing in the debtor's --

THE COURT: Why didn't you tell them in your objection what your objection was about?

MR. CORDELL: It was a mistake, Your Honor. We could have been more descriptive. We thought what we put in was sufficient to --

THE COURT: Really? Show me.

MR. CORDELL: -- move the burden of proof.

THE COURT: Show me. Their claim is prima facie valid, right?

MR. CORDELL: Yes, Your Honor.

THE COURT: They filed a claim, they told you what it was. You thought it wasn't because they had to have documentation. You now realize you're wrong about that.

Tell me how you've overcome the prima facie validity of their proof of claim when you don't want to say, oh, we located them but we paid them everything we owed to them. That's your answer. Show me where you have challenged, however, in your objection the prima facie validity of their claim. I've got it open.

MR. CORDELL: Yes, Your Honor. I'm pulling up our objection to 1102.

MR. CORDELL: This is Document 2200. Here, it's up on the screen.

MR. CORDELL: Thank you. I'm going to Paragraph 17.

THE COURT: Preliminary statement regarding frivolous and unsupported claims.

MR. CORDELL: The debtors have reviewed each of these claims, including the claim, and determined these claims are invalid or without support. Paragraph 17 indicates that debtors books and records do not reveal any obligations due and owing to the claimant.

THE COURT: You say that you have paid them what you owe them? All that you've told me is a legal conclusion that you don't owe them money. You haven't told me the facts that support that, have you? The debtors books and records don't reveal any obligations due and owing to the claimant. How come?

MR. CORDELL: The declaration, Your Honor --

THE COURT: Let's go there. Declaration doesn't do anything. Show me where it says something.

MR. CORDELL: Paragraph 5 of the declaration.

THE COURT: Okay.

MR. CORDELL: Actually, I'd like to start at Paragraph 4. The facts set forth in this declaration, based on his personal knowledge, personal conversations he had with the debtor's management and financial advisers.

THE COURT: So hearsay, that one is hearsay.

MR. CORDELL: I think Rule 803(7) would provide an exception to hearsay here, Your Honor. The absence of a regularly conducted activity.

THE COURT: No. It says, "Personal conversations that I've had with the debtor's management and financial advisors." That's hearsay, isn't it?

MR. CORDELL: Well, I was referring to the next portion of the sentence.

THE COURT: Is that hearsay?

MR. CORDELL: That would be, Your Honor. But the next portion of the sentence --

THE COURT: So how do I know if the declaration is based on hearsay or based on personal knowledge?

MR. CORDELL: Well, the declarant also reviewed records kept in the ordinary course of business by the

debtors.

THE COURT: No, he didn't. Where does it say that?

MR. CORDELL: That's the next clause of Paragraph 4.

THE COURT: "I or others under my supervision and direction." Where does he say he did it?

MR. CORDELL: "Or upon my review of records kept in the ordinary course of the debtor's business." That's the third line of -- starting with the second line going to...

THE COURT: No, that's the string. He has done one or the other or more. It is either based on his personal knowledge or personal conversations he had with debtor's management and financial advisors or -- not and -- upon my review of the records of the debtor in the ordinary course of business. In other words, I won't tell you but maybe it's hearsay. Right? Did I read it literally?

MR. CORDELL: I could understand that reading, Your Honor.

THE COURT: Can you understand another reading?

MR. CORDELL: No, Your Honor.

THE COURT: Okay. So he had conversations with the claimants?

MR. CORDELL: I have not. I did speak to Mr.

Grigsby and have offered to speak to him in the hall afterwards to see if there's anything we can do to help resolve this claim. I know that the debtor's agents did attempt to reach out to claimants previously.

THE COURT: How do you know that? How do you know that?

MR. CORDELL: It's not in our objection or declaration, Your Honor, so I can't prove it to you.

THE COURT: So tell me why you're owed money?

MS. GRIGSBY: My husband and I were out with COVID and we were out a few weeks.

THE COURT: Can I get you to be more in front of the microphone?

MS. GRIGSBY: My husband and I were out with COVID. We were out for a few weeks, came back. We went back to the health department there on the site of the job. They cleared us to go back to work. Upon going back to the job site, we were stopped and told we were let go.

THE COURT: You were told what?

MS. GRIGSBY: That we were let go. They fired us.

THE COURT: So were you let go because of the layoffs or let go because you'd had COVID?

MS. GRIGSBY: Because we took so long to come back. That wasn't something we couldn't just do without being cleared by the nurse first.

THE COURT: When did that occur, do you know?

MS. GRIGSBY: In October 2023.

THE COURT: Okay.

MS. GRIGSBY: And when I asked for paperwork to show that we were being let go, he refused to give it to us; that would the superintendent. He told us we would have to call corporate. I did call corporate. Corporate said we don't do that anymore. You have unemployment services call us and they will verify it. Unemployment did call them and called me and says, no, they just sent in paperwork saying that you were fired.

THE COURT: So a number of the complaints today -- excuse me -- of the claims today say that Zachry refused to provide termination information. Did you look into those allegations?

MR. CORDELL: I did not, Your Honor, just personally.

THE COURT: Okay. Miss Grigsby, you can tell I'm not too happy with the way this has been approached. I do not know whether you're owed money or not. They may have had a legitimate right to terminate you after COVID. I don't know that without seeing documents and seeing what occurred.

I don't think they should have filed this objection without them learning more is what I'm upset with

them about, but that doesn't give you a claim. So I'm going to give you a couple of choices. One is you have the right just to proceed with the hearing today. You can put on your testimony, they can put on their testimony, and we'll see who wins and who loses. Or, if you would prefer, I'll give you a couple of weeks to talk through things with them and see if you can reach a settlement with them. I'm not going to make them settle with you, I'm not going to make you settle with them, but I'll give you the opportunity to have those discussions.

And I promise you, you'll be talking to somebody; they won't kick the can down the road. They may say no to you, right, but they won't kick the can down the road because I'll make them produce somebody that has full authority to settle with you or to tell you this is ridiculous, we're not paying you a dime. They get to do what they want. If y'all don't settle, we'll then come back for the evidentiary hearing.

So again, you can proceed today or you can try and settle and proceed later. And you shouldn't take my dissatisfaction with them as meaning you're going to win because I don't know who wins. All I know is that I thought their objection made no sense. Do you want to talk to your husband and then decide how to proceed or do you know what you want to do right now? Why don't you talk to him and

come back up when you're ready.

Many of your objections today have similar problems. Many people -- I didn't count them, but let's call it six or eight -- said they asked for termination papers and they were refused by Zachry to give them termination papers, which I find particularly egregious when every complaint you have against is they wouldn't give you documents. It seems very odd that your client is going to complain that they couldn't get documents, but they won't give a claimant to whose claim you are objecting the information as to why they were terminated.

How do you want to proceed with all of these hearings today? I've got notes on every one of these. I've got a number of them where I think you should just win outright and I've got a number of them where I think you should lose outright and I've got a number of them where I don't know.

MR. CORDELL: Well, Your Honor, I think it's very clear that I have made a pervasive mistake in the way that I've handled drafting these objections. I should have provided much more detail.

THE COURT: And you shouldn't have them frivolous when they're not.

MR. CORDELL: Yes, Your Honor. We were here on June 26th on a similar subset of claims.

THE COURT: Correct.

MR. CORDELL: And the Court gave the debtors the opportunity to supplement their declarations to better explain and provide more information for the Court about how these claims were vetted and how Zachry reached its ultimate conclusion that the claims were not owed.

We would respectfully ask for a chance to do that on the hearings -- for the proofs of claim which were objected to and set for hearing today and then return to these claim objections at a later time.

THE COURT: I do think there were some where you win outright and I don't see any reason to put people -- I'm not trying to put people through their paces. I do want -- you know what I want so I'm not going to do it again.

Objection 2178 does not list an amount, it does not list the basis. Your objection is sufficient because one can't tell what that claim is about and that is a valid objection when you can't tell. I will sustain that objection today to 2178.

Claim 2208 is also not prima facie valid and I will sustain your objection to that because you can't tell what the claim is. The same is true of 2209, 2250, 2260. ON 2262, it has separate claims, one of which is prima facie valid and one which is not, so we'll continue that one. 2266 does not have prima facie validity. 2267 does not have

prima facie validity. 2273 and 2276 do not have prima facie validity. 2276 is a trade claim where they were required to attach documentation and did not do that. There's another one or two that are close that I'm just not going to call today, but I'll do so on those.

I think the more I've read this that the appropriate remedy at this point is to have you amend the objections to tell me what your objection is and to not accuse people of things that are nowhere near true where you decided to use hyperbolic statements, so I'll give you some time to get that done.

You guys are a fiduciary and I don't think you're acting like it. You're acting like people that have armed weapons that you can outpower each other with. If these are valid claims, they should be paid and allowed; if they're not, they shouldn't be. And you need to tell me why they are and they aren't and you need to tell people that with amended objections. I'm just not happy with the approach.

I have a separate question for you. You republished the proofs of claim, which I think is a smart thing to do and very helpful. That lists the claimant's address and it lists their email address. But on the certificate of service, you don't tell me what address or email address you served people at. Why is it appropriate to keep it confidential but to publish it? It just didn't

make any sense to me.

MR. CORDELL: I thought that the email addresses and claimant mailing addresses were on the exhibits in the certificates of service. Are they redacted?

THE COURT: I'll show you what they say. No, what they say is that they're on file but they're kept confidential and it just isn't making any sense to me. Maybe there's some legal requirement that I'm not following, but I couldn't believe that in one document, you could give the information and then withhold it. But i.e., you give it because it's on the proof of claim and you republished the proof of claim and then it gets withheld. I'll show you what that looks like.

MR. CORDELL: Thanks, Your Honor. I'll chase that down.

THE COURT: I just don't understand. There may be a legal reason to do it, so that's... I think it's 3129. So that's your master service list, but this is now down to your email service list. It says email on file, which means I can't determine whether it was sent to the right email address. I see those sometimes, but I've never seen them where both it doesn't tell it to me and it does tell it to me. And then the same is true for the written addresses, the addresses are on file. But it's all on the proof of claim that you filed, so I would just like an understanding

for why that's the appropriate method under the law because I may just be unfamiliar with that.

So how long do you want to refile these objections in a way that you can be proud of the objections?

MR. CORDELL: I'd ask for 30 days, Your Honor. I think that would be sufficient time.

THE COURT: Okay. We'll come back towards the end of August then. How do you look on August 26th at 9:00 in the morning?

MR. CORDELL: Tuesday, that's perfectly fine, Your Honor.

THE COURT: Okay. We'll continue -- I'm going to sustain the objections to the ones I've identified. We're going to continue everything other than the Grigsby matter until that date. And on the Grigsby matter, we're going to see how Mr. and Miss Grigsby want to proceed.

So, Mr. and Miss Grigsby, can y'all come back up, please? Miss Grigsby, did you want to try and proceed today or did you want to come back after you have a chance to talk to them?

MS. GRIGSBY: We'll come back. I'll give them a chance to talk to us.

THE COURT: Where do y'all live?

MS. GRIGSBY: In Humble.

THE COURT: Okay, so it's not that bad. Mr.

Murphy, would you press five star one time on your line. Mr. Murphy, good afternoon. Mr. Murphy? You may have your own lined muted. I've got you unmuted here.

MR. MURPHY: Oh, I do. Can you hear me now?

THE COURT: I can. Mr. Murphy, who should Miss Grigsby call or who will call her that will have full authority to resolve or not resolve the matter? I am not requiring you to resolve it favorably to them. I just want somebody listening to what they have to say and evaluating this fairly and seeing if it makes sense to settle it. Who would that be?

MR. MURPHY: Well, for right now, Your Honor, they can contact me and I'll make sure that they get in contact with the correct people in that HR department.

THE COURT: Nope. I want a name right now of somebody that can talk to them and that will handle it. I'll wait and I'll come back if you want to get that name for me, but I'm not going to -- go ahead.

MR. MURPHY: Okay. It may be a minute. I'll look it up. There'll be two names, I'll give you both.

THE COURT: I want to know one person in charge. Nobody gets to kick the can to somebody else. They get to say yea or nay, but they don't get to kick the can down the road. These guys traveled to court, nobody else did. We're going to give them the right person to talk to. Just take

your time, come back when you're ready.

MR. MURPHY: Okay. I have the name. If you -- Mr. and Mrs. Grigsby, if you can give you at least 20 minutes to get in touch with her so she knows to look for your call, I'd appreciate that. The person's name is Meriel, M-E-R-I-E-L, Bowman, B-O-W-M-A-N. Her title is vice president, total rewards and culture. She's basically in charge of the human resources group. Her email address is B-O-W-M-A-N-M as in Meriel at Zachry Group.com. That's Z-A-C-H-R-Y Group.com.

THE COURT: Is it Bowman with an M or Bowman with an N?

MR. MURPHY: Bowman with an N as in Nancy. And then the last initial is M. That's bowman ending with an M and then you have her first initial of her name.

THE COURT: Is Meriel.

MR. MURPHY: Meriel.

THE COURT: M-E-R-I-E-L is her name. Did you get that? And what number should she be reached at?

MR. MURPHY: And then the office number is 210-588-5882.

THE COURT: So I'm going to give you through tomorrow to get her all prepped for this and Ms. Grigsby calls her starting on Wednesday. Is that enough time to get this -- to be sure that this...

MR. MURPHY: Yes.

THE COURT: I want Miss Bowman to understand that she can make any decision she's wanting. I'm not requiring her to settle it, but that she needs to take full charge of this and she gets it resolved without referring it anywhere else. It's just going to be her decision as to whether to resolve it or not, right?

MR. MURPHY: Yes. Yes, Your Honor.

THE COURT: Miss Grigsby, is that fair to you in terms of what we're doing?

MS. GRIGSBY: Yes, sir.

THE COURT: Any complaints at all? I'm trying to do the right thing.

MS. GRIGSBY: None, nope.

THE COURT: Okay. Your hearing is continued, in case you don't work it out, until the other hearings, which will be at 9:00 on August 26th. If you do work it out, then Zachry will file papers that you will have signed -- will have your signature on them that announce what the settlement is and you won't need to come back to another hearing.

MS. GRIGSBY: Okay.

THE COURT: I am telling you that I do not know without reading their documents and reading some law whether you had a right to return to employment or not. Just don't

know. And so, I don't want you reading anything I'm saying to say that there's merit in what you're claiming. What you're hearing is they didn't go about it the right way.

MS. GRIGSBY: Yes, sir.

THE COURT: We're starting over. They're going to go about it the right way. And then you can decide whether this is worth fighting or settling, okay? Any questions at all?

MS. GRIGSBY: No, sir.

THE COURT: Thank you for coming in.

MS. GRIGSBY: Thank you.

THE COURT: Thank you. Sorry to jump all over you, but I got to get this done right. People that file claims have a right to be treated the right way.

MR. CORDELL: Absolutely, understood, Your Honor.

THE COURT: Thank you, Mr. Cordell.

MR. CORDELL: I'll speak with you all outside.

THE COURT: All right. We're in recess. Thank you.

(Proceedings adjourned at 1:57 p.m.)

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.



Sonya Ledanski Hyde

Veritext Legal Solutions
330 Old Country Road
Suite 300
Mineola, NY 11501

Date: July 14, 2025

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS

In Re:	Zachry Holdings, Inc. and Statutory Unsecured Claimholders' Committee Debtor	Case No.: 24−90377 Chapter: 11

NOTICE OF FILING OF OFFICIAL TRANSCRIPT

An official transcript has been filed in this case and it may contain information protected under the E-Government Act of 2002, and Fed. R. Bank. P. 9037.

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If redaction is necessary, the parties must file a statement of redaction listing the items to be redacted, citing the transcript's docket number, the item's location by page and line, and including only the following portions of the protected information. This statement must be filed within 21 days of the transcript being filed. A suggested form for the statement of redaction is available at https://www.txs.uscourts.gov/.

- the last four digits of the social security number or taxpayer identification number;
- the year of the individual's birth;
- the minor's initials;
- the last four digits of the financial account number; and
- the city and state of the home address.

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Nathan Ochsner
Clerk of Court