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7 Proposed Attorneys for Chapter 11 Debtor  
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8 **UNITED STATES BANKRUPTCY COURT**  
 9 **DISTRICT OF NEVADA**

11  
 12 In re  
 13 Front Sight Management LLC,

Case No. 22-11824-abl

Chapter 11

**Date:** OST REQUESTED  
**Time:** OST REQUESTED

21 **DEBTOR’S EMERGENCY MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE**  
 22 **DEBTOR TO HONOR AND CONTINUE CERTAIN CUSTOMER PROGRAMS AND**  
 23 **CUSTOMER OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS**

24 Front Sight Management LLC dba Front Sight Firearms Training Institute, the chapter 11  
 debtor and debtor in possession herein (the “Debtor”), hereby files its emergency motion (the  
 25 “Motion”) for entry of an order (1) authorizing (but not requiring) the Debtor to honor its prepetition  
 26 Customer Obligations (as defined herein); (2) authorizing (but not requiring) the Debtor to continue  
 27 its Customer Programs (as defined herein) in the ordinary course of business; (3) authorizing all  
 28 applicable banks and other financial institutions, when requested by the Debtor, to receive, process,

1 honor, and pay any and all checks and transfers related to the foregoing, whether presented prior to  
2 or after the Petition Date in accordance with the stated policies with regard thereto, provided  
3 sufficient funds exist in the Debtor's accounts to cover such payment; and (4) for such other and  
4 further relief as is just and proper.

5 This Motion is based on this Motion and attached Memorandum of Points and Authorities,  
6 the concurrently filed *Omnibus Declaration of Ignatius Piazza in Support of First Day Motions* (the  
7 "Piazza Decl.") and evidence appended thereto, the arguments of counsel and other admissible  
8 evidence properly brought before the Court at or before the hearing on this Motion.

9 **WHEREFORE**, the Debtor respectfully requests that this Court enter an order granting the  
10 Motion in its entirety and granting the relief requested herein, in substantially the form attached  
11 hereto as **Exhibit 1**, and to grant such other relief as the Court deems appropriate under the  
12 circumstances.

13 DATED: May 24, 2022

BG LAW LLP

14  
15 By: /s/ Susan K. Seflin  
16 Steven T. Gubner  
17 Susan K. Seflin  
18 Jessica Wellington  
19 Proposed Attorneys for Chapter 11  
20 Debtor and Debtor in Possession  
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**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. JURISDICTION AND VENUE**

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3 1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.  
4 This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant  
5 to 28 U.S.C. §§ 1408 and 1409.

6 2. Pursuant to Rule 9014.2(a) of the Local Rules of Bankruptcy Practice of the United  
7 States District Court for the District of Nevada (the “Local Rules”), the Debtor confirms its consent  
8 to the entry of a final order by the Bankruptcy Court in connection with this Motion to the extent that  
9 it is later determined that the Bankruptcy Court, absent consent of the parties, cannot enter final  
10 orders or judgments in connection herewith consistent with Article III of the United States  
11 Constitution.

12 3. The statutory predicates for the relief requested in this Motion are Sections<sup>1</sup> 105, 363,  
13 507(a), 1107(a) and 1108 and Bankruptcy Rules 6003 and 6004.

14 **II. FACTUAL BACKGROUND**

15 **A. General Case Background**

16 4. On May 24, 2022, Front Sight Management LLC dba Front Sight Firearms Training  
17 Institute, a Nevada limited liability company, filed a voluntary petition for relief under chapter 11 of  
18 Title 11 of the United States Code. The Debtor continues to operate its business and manage its  
19 financial affairs as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy  
20 Code. No trustee, examiner, or committee has been appointed in the Debtor’s chapter 11 case.

21 **B. Description of the Debtor’s Business**

22 5. The Debtor was founded in 1996 by Ignatius Piazza. Mr. Piazza owns, either directly  
23 or indirectly, 100% of the Debtor. The Debtor was originally formed as a California business and  
24 operated near Bakersfield, California from its formation in 1996 until 2002. In 1998, the Debtor  
25 purchased 550 acres of raw land 45 minutes from Las Vegas, acquired approximately 500 acre feet  
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28 <sup>1</sup> Unless otherwise stated, all references to “Sections” herein shall be to the Bankruptcy Code  
appearing in Title 11 of the U.S. Code; and all references to a “Bankruptcy Rule” shall refer to the  
Federal Rules of Bankruptcy Procedure.

1 of water rights and began building what is now the finest and largest private firearms training facility  
2 in the world (the “Front Sight Property”).

3 6. In 2012, the Debtor became a Nevada limited liability company. The Debtor’s  
4 primary place of business is the Front Sight Property located at 1 Front Sight Road, Pahrump,  
5 Nevada 89061.

6 7. The Front Sight Property is accessed by a four-mile, two lane paved road, and is  
7 currently comprised of 50 outdoor firearms training ranges, live fire tactical training simulators, an  
8 8,000 square foot classroom and pro shop, and assorted accessory buildings, bathrooms, three water  
9 wells and thousands of square yards of completed grading for future development.

10 8. The Debtor provides firearms training courses which promote the defensive use of  
11 various firearms. Courses are offered to the general public, members of law enforcement and  
12 military members.

13 9. The Front Sight Firearms Facility is the most successful of its type in the United  
14 States. The Debtor provides classes and instruction annually to upward of 40,000 gun and weapons  
15 enthusiasts. The Debtor is considered the leader in its field, and provides additional training and  
16 instruction for numerous city and state agencies seeking to improve performance of their respective  
17 law enforcement departments.

18 10. Over the last 25 years, the Debtor has trained a million students and currently has  
19 over 263,000 members.

20 11. As of January 19, 2022, the Front Sight Property (including the land, water rights and  
21 improvements but excluding equipment and inventory) was appraised at \$25,260,000 “as is.”

22 12. Historically, the Debtor has operated its business by selling lifetime memberships at  
23 an amount ranging from \$250 to \$50,000, courses and ancillary products. The Debtor’s business  
24 model centered around a major expansion plan that was intended to build the Front Sight Vacation  
25 Club & Resort (vacation residences, a RV park, etc.), a retail area adjacent to the vacation club and a  
26 pavilion. The Debtor’s intent was that the discounted lifetime memberships and other promotional  
27 benefits (like “Front Sight bucks” [money to be used on limited items at Front Sight], certificates [to  
28 be used for 2 day or 4 day training courses], etc.) would lead to a “captive” customer base that would

1 be more likely to take advantage of the Vacation Club & Resort which would then bring increased  
2 revenue to the Debtor.

3 13. A more detailed description of the Debtor's history and is business is set forth in the  
4 Piazza Decl.

5 **C. The Debtor's Customer Programs and Customer Obligations**

6 14. Prior to the Petition Date, in the ordinary course of the Debtor's business the Debtor  
7 offered five levels of lifetime memberships. Each level of membership comes with certain benefits,  
8 such as the ability to attend certain Front Sight courses without paying the normal course fee,  
9 placement in courses with two weeks advance enrollment, invitation to the July 4<sup>th</sup> Front Sight  
10 Members' Reunion Celebration, private training at a reduced rate, etc. The cost of the lifetime  
11 memberships ranges from a one-time payment of \$4,900 plus \$50 a month membership maintenance  
12 fee to a one-time payment of \$120,000, depending on the level of membership purchased, and  
13 include an annual fee. The Debtor currently has approximately 263,000 members.

14 15. The Debtor also currently offers the ability to purchase certificates that can be used  
15 for 2 or 4-day training courses. The 2-day courses typically cost \$1,000 and the 4-day courses  
16 typically cost \$2,000.

17 16. Additionally, the Debtor currently offers the ability to purchase Front Sight Bucks,  
18 which is "money" that can be used at the Debtor's facility for things such as food, merchandise and  
19 ammunition.

20 17. Prepetition, in the ordinary course of business, the Debtor honored the memberships,  
21 certificates and Front Sight Bucks (the "Customer Programs").

22 **III. RELIEF REQUESTED**

23 18. The Debtor believes that its ability to continue to offer and honor the Customer  
24 Programs is essential to the satisfaction of its customers and the maintenance of member and  
25 customer relationships.

26 19. To effectuate a smooth transition into Chapter 11, the Debtor submits that it must  
27 maintain customer loyalty and goodwill by maintaining and honoring the Customer Programs. The  
28 Debtor implemented the Customer Programs in the ordinary course of business prior to the Petition

1 Date as a means by which to maintain positive, productive, and profitable relationships with its  
2 customers, encourage new purchases, enhance customer satisfaction, and ensure that the Debtor  
3 remains competitive in its industry.

4 20. The Customer Programs are designed and implemented to encourage the Debtor's  
5 members and customers to increase their purchasing frequency and volume, resulting in larger net  
6 revenues for the Debtor and, in return, greater satisfaction for the members and customers.

7 21. Accordingly, the Debtor's ability to honor the Customer Programs in the ordinary  
8 course of business is necessary to retain its customer base and reputation within its industry. On  
9 account of the Customer Programs, the Debtor may owe certain obligations to its members and  
10 customers arising both before and after the Petition Date (the "Customer Obligations").

11 22. The success and viability of the Debtor's business, and ultimately the Debtor's ability  
12 to maximize the value of the Debtor's estate, are dependent upon the patronage and loyalty of its  
13 members and customers. In this regard, the Customer Programs are essential, and any delay in  
14 honoring Customer Obligations will severely and irreparably impair customer relations, thereby  
15 harming the Debtor's efforts to maximize value for all interested parties.

16 23. By this Motion, the Debtor seeks authority to continue, in its discretions, to offer and  
17 honor its obligations with the Customer Programs, including the services and payments related to the  
18 Customer Obligations.

#### 19 **IV. LEGAL ARGUMENT**

##### 20 **A. Standard for Approval of Requested Relief**

21 Sections 105(a)<sup>2</sup> and 363(b)(1)<sup>3</sup> of the Bankruptcy Code, in conjunction with the "doctrine of  
22 necessity" established by case law, enable this Court to authorize the Debtor to honor, in the  
23 ordinary course of business, its prepetition Customer Obligations.

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26 <sup>2</sup> Section 105(a) of the Bankruptcy Code provides that "[t]he court may issue any order, process, or  
27 judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. §  
105(a).

28 <sup>3</sup> Section 363(b)(1) of the Bankruptcy Code provides, in pertinent part, that "[t]he trustee, after  
notice and a hearing may use, sell, or lease, other than in the ordinary course of business, property of  
the estate . . ." 11 U.S.C. § 363(b)(1).

1 Courts have held that, pursuant to Sections 363(b) and 105(a) of the Bankruptcy Code, it is  
2 appropriate to authorize the payment of prepetition obligations where necessary to protect and  
3 preserve the estate, including an operating business's going-concern value. *See In re Ionosphere*  
4 *Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (authority to pay prepetition wages);  
5 *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391,  
6 398 (S.D.N.Y. 1983) (authority to pay prepetition claims of suppliers); *see also In re CoServ, L.L.C.*,  
7 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002).

8 Pursuant to Sections 1107(a) and 1108, debtors-in-possession are fiduciaries "holding the  
9 bankruptcy estate[s] and operating the business[es] for the benefit of [its] creditors and (if the value  
10 justifies) equity owners." *CoServ*, 273 B.R. at 497. Implicit in the fiduciary duties of any debtor-in-  
11 possession is the obligation to "protect and preserve the estate, including an operating business's  
12 going-concern value." *Id.* Some courts have noted there are instances in which a debtor can fulfill  
13 this fiduciary duty "only . . . by the preplan satisfaction of a prepetition claim." *Id.* The court in  
14 *CoServ* specifically noted the pre-plan satisfaction of prepetition claims would be a valid exercise of  
15 the debtor's fiduciary duty when the payment "is the only means to effect a substantial enhancement  
16 of the estate . . . ." *Id.*

17 Consistent with a debtor's fiduciary duties, courts have authorized payment of prepetition  
18 obligations under Section 363(b) where a sound business purpose exists for doing so. *See, e.g.*,  
19 *Ionosphere Clubs*, 98 B.R. at 175 (Bankr. S.D.N.Y. 1989) (finding that a sound business justification  
20 existed to justify payment of prepetition wages); *see also Armstrong World Indus.*, 29 B.R. at 397–  
21 98 (relying on Section 363 to allow contractor to pay prepetition claims of suppliers who were  
22 potential lien claimants because the payments were necessary for general contractors to release funds  
23 owed to debtors).

24 In addition, the bankruptcy court may authorize payment of prepetition claims in appropriate  
25 circumstances based on Section 105(a). Section 105(a), which codifies the inherent equitable  
26 powers of the bankruptcy court, empowers the bankruptcy court to "issue any order, process, or  
27 judgment that is necessary or appropriate to carry out the provisions of the [Bankruptcy Code]." 11  
28 U.S.C. § 105(a). A bankruptcy court's use of its equitable powers to "authorize the payment of

1 prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a  
2 novel concept.” *Ionosphere Clubs*, 98 B.R. at 175. Under Section 105(a), courts may permit pre-  
3 plan payments of prepetition obligations when essential to the continued operation of the debtor’s  
4 business. Specifically, the Court may use its power under Section 105(a) to authorize payment of  
5 prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine  
6 of necessity”). *In re NVR L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992).

7 The “doctrine of necessity” or the “necessity of payment” rule has been judicially recognized  
8 in the Ninth Circuit. *See In re Hines*, 147 F.3d 1185, 1191 (9th Cir. 1998); *In re Berry Good, LLC*,  
9 400 B.R. 741, 746 (Bankr. D. Ariz. 2008). Today, the rationale for the necessity of payment rule  
10 that is, the rehabilitation of a debtor in a reorganization case—is “the paramount policy and goal of  
11 Chapter 11.” *Ionosphere Clubs*, 98 B.R. at 175–76; *see also In re Just For Feet*, 242 B.R. 821, 824–  
12 25 (finding that payment of prepetition claims to certain trade vendors was “essential to the survival  
13 of the debtor during the chapter 11 reorganization”); *In re Quality Interiors, Inc.*, 127 B.R. 391, 396  
14 (Bankr. N.D. Ohio 1991) (“[P]ayment by a debtor-in-possession of pre-petition claims outside of a  
15 confirmed plan of reorganization is generally prohibited by the Bankruptcy Code”, but “[a] general  
16 practice has developed . . . where bankruptcy courts permit the payment of certain pre-petition  
17 claims, pursuant to 11 U.S.C. § 105, where the debtor will be unable to reorganize without such  
18 payment”); *In re Eagle-Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991)  
19 (approving payment of prepetition unsecured claims of toolmakers as “necessary to avert a serious  
20 threat to the Chapter 11 process”); *Burchinal v. Cent. Wash. Bank (In re Adams Apple, Inc.)*, 829  
21 F.2d 1484, 1490 (9th Cir. 1987) (recognizing that allowance of “unequal treatment of pre-petition  
22 debts when necessary for rehabilitation . . .” is appropriate); *Mich. Bureau of Workers’ Disability*  
23 *Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 287 (S.D.N.Y. 1987)  
24 (authorizing payment of prepetition worker’s compensation claims on grounds that the fundamental  
25 purpose of reorganization and equity powers of bankruptcy courts “is to create a flexible mechanism  
26 that will permit the greatest likelihood of survival of the debtor and payment of creditors in full or at  
27 least proportionately”); 3 *Collier on Bankruptcy*, 105.02[4][a] (16th ed. rev. 2011) (discussing cases  
28



1 in which courts have relied on the “doctrine of necessity” or the “necessity of payment” rule to pay  
2 prepetition claims immediately).

3 To that end, bankruptcy courts have permitted postpetition payment of prepetition claims  
4 pursuant to Section 105(a) in situations such as if nonpayment of a prepetition obligation would  
5 trigger a withholding of goods or services essential to the debtor’s successful reorganization. *See In*  
6 *re UNR Indus.*, 143 B.R. 506, 520 (Bankr. N.D. Ill. 1992) (permitting the debtor to pay prepetition  
7 claims of suppliers or employees whose continued cooperation is essential to the debtor’s successful  
8 reorganization); *Ionosphere Clubs*, 98 B.R. at 177 (finding that Section 105 empowers bankruptcy  
9 courts to authorize payment of prepetition debt when such payment is needed to facilitate the  
10 rehabilitation of the debtor). This flexible approach is particularly critical where a prepetition  
11 creditor provides vital goods or services to a debtor that would be unavailable if the debtor did not  
12 satisfy its prepetition obligations. In *In re Structurlite Plastics Corp.*, 86 B.R. 922, 931 (Bankr. S.D.  
13 Ohio 1988), the court stated that “a bankruptcy court may exercise its equity powers under § 105(a)  
14 to authorize payment of prepetition claims where such payment is necessary ‘to permit the greatest  
15 likelihood of survival of the debtor and payment of creditors in full or at least proportionately.’” *Id.*  
16 (citation omitted). The court explained that “a *per se* rule proscribing the payment of prepetition  
17 indebtedness may well be too inflexible to permit the effectuation of the rehabilitative purposes of  
18 the Code.” *Id.* at 932.

19 The Debtor’s ability to immediately honor Customer Obligations is necessary to retain and  
20 maintain a substantial and integral part of the Debtor’s business operations and customer base.  
21 Indeed, the Debtor believes that, without the requested relief, its customers will lose confidence in  
22 the Debtor and may cease continued relationships. In light of the Debtor’s plan to restructure its  
23 business through its chapter 11 plan of reorganization and with the recent implementation of  
24 monthly and daily fees, it is especially important that the Debtor’s members and customers do not  
25 lose confidence in the Debtor and continue their relationships with the Debtor.

26 In addition, honoring the Customer Obligations is consistent with maintaining the business as  
27 a going-concern. Allowing the Debtor to honor its prepetition Customer Obligations is especially  
28 appropriate where doing so is consistent with the “two recognized policies” of Chapter 11 of the

1 Bankruptcy Code—preserving going concern value and maximizing the value of property available  
2 to satisfy creditors. *See Bank of Am. Nat'l Trust & Sav. Assoc. v. 203 N. LaSalle St. P'ship*, 526 U.S.  
3 434, 453 (1999). For the foregoing reasons, honoring the prepetition Customer Obligations will  
4 benefit the Debtor's estate and its creditors by allowing the Debtor's business operations to continue  
5 without interruption.

6 **B. Honoring the Prepetition Customer Obligations and Continuing the Customer**  
7 **Programs are Essential to Preserve the Going-Concern Value of the Debtor's**  
8 **Business.**

9 The relief sought in this Motion is appropriate under each of the foregoing standards. The  
10 Debtor has determined, in the exercise of its sound business judgment, that honoring the Customer  
11 Obligations and continuing the Customer Programs are not only essential to its operations, but also  
12 necessary to ensure that the value of the Debtor on a going-concern basis is preserved through the  
13 pendency of confirmation of its chapter 11 plan of reorganization.

14 As described above, the loyalty and continued business of the Debtor's customers is critical  
15 to the Debtor's going-forward financial strength and its ability to successfully reorganize. The  
16 Customer Programs help stave off competition from competing companies, all of whom may pursue  
17 relationships with the Debtor's members and customers. Hence, absent the Debtor's ability to honor  
18 and perform its Customer Obligations and continue its Customer Programs, the Debtor is at risk of  
19 declining revenue and, in turn, damaging its estate.

20 Honoring prepetition Customer Obligations and continuing the Customer Programs will, in  
21 fact, benefit Debtor's estate and its creditors by allowing operations to continue without interruption,  
22 thereby maximizing the value of the Debtor's estate. The arrangements have succeeded in bolstering  
23 customer loyalty in the past, and also generate goodwill, repeat business, and net revenue increases.  
24 Thus, any loss of customers caused by failure to honor the Customer Obligations under the Customer  
25 Programs will damage the Debtor's core business to a far greater extent than the costs associated  
26 with honoring such prepetition Customer Obligations and Customer Programs. The Court, therefore,  
27 should authorize the Debtor to honor prepetition Customer Obligations, and continue to pay  
28 Customer Obligations postpetition.

1           **C. Cause Exists to Authorize Debtor's Banks and Financial Institutions to Honor**  
2           **Checks and Other Forms of Refunds.**

3           The Debtor submits that it has sufficient availability of funds to pay the amounts described  
4 herein in the ordinary course of business by virtue of expected cash flows from ongoing business  
5 operations and the proposed debtor-in-possession financing. Also, under the Debtor's existing cash  
6 management systems, the Debtor represents that it can readily identify requests relating to an  
7 authorized payment made pursuant to its Customer Obligations described in this Motion.  
8 Accordingly, the Debtor believes that checks or wire transfer requests, other than those relating to  
9 the Customer Obligations, will not be honored inadvertently. The Debtor also does not believe that  
10 there are very few, if any, check or wire requests pending.

11           The Debtor therefore requests that the Court authorize all applicable banks and financial  
12 institutions, when requested by the Debtor, to receive, process, honor, and pay any and all checks or  
13 wire transfer requests with respect to the Debtor's Customer Obligations. The Debtor further  
14 requests authorization to issue replacement checks, submit replacement fund transfer requests, or  
15 provide other means to the extent necessary to pay all outstanding prepetition Customer Obligations.  
16 The Debtor's banks and financial institutions shall be entitled to rely on the representations of the  
17 Debtor as to which checks or wire transfer requests are issued or authorized to be paid pursuant to  
18 the order.

19           Nothing contained herein is intended or shall be construed as: (i) an admission as to the  
20 validity of any claim against the Debtor; (ii) a waiver of the Debtor's or any party in interest's rights  
21 to dispute any claim; or (iii) an approval or assumption of any agreement, contract, program, policy  
22 or lease under Section 365. Likewise, if this Court grants the relief sought herein, any payment  
23 authorized pursuant to the Court's order is not intended and should not be construed as an admission  
24 to any claim's validity or a waiver of the Debtor's rights to dispute such claim subsequently.

25           **V. NOTICE AND WAIVER OF THE STAY**

26           Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of  
27 property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders  
28 otherwise." In view of the urgency of the relief requested herein and the risk to the Debtor's

1 operations if the Debtor cannot honor its Customer Obligations, a fourteen-day stay of the relief  
2 sought herein is impractical. Accordingly, the Debtor requests that this Court waive the stay under  
3 Bankruptcy Rule 6004(h) and provide in the order granting the relief sought herein that such order  
4 shall be effective immediately.

5 Bankruptcy Rule 6003(b) provides “except to the extent that relief is necessary to avoid  
6 immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition,  
7 grant relief regarding . . . a motion to use, lease or otherwise incur an obligation regarding property  
8 of the estate, including a motion to pay all or part of a claim that arose before filing of the petition. . .  
9 .” As described herein and in the Piazza Declaration, if the outstanding Customer Obligations are  
10 not immediately satisfied, the Debtor will experience immediate and irreparable harm. To ensure the  
11 Debtor’s success and maximize value for its creditors, this Court should find that the exception set  
12 forth in Bankruptcy Rule 6003 applies here.<sup>4</sup>

13 The Debtor shall serve notice of this Motion on the following: (i) the Office of the United  
14 States Trustee for the District of Nevada; (ii) the holders of the twenty (20) largest unsecured claims  
15 against the Debtor, or any official committee of unsecured creditors, if one is appointed pursuant to  
16 Section 1102; (iii) any other committee that is appointed pursuant to Section 1102 of the Bankruptcy  
17 Code; (iv) any secured creditors; and (v) any entity which files and serves on the Debtor a request  
18 for special notice prior to the filing of this Motion.

19 Given the emergency nature of the relief requested herein, and the potential disruption to the  
20 Debtor’s business that will ensue if such relief requested is not granted, Debtor submits that no  
21 further notice need be given prior to granting the relief sought herein.

22 **VI. CONCLUSION**

23 Based on the foregoing, the Debtor respectfully requests that the Bankruptcy Court enter an  
24 order granting the relief requested herein, in substantially the form attached hereto as **Exhibit 1**, as  
25 follows:

26 \_\_\_\_\_  
27 <sup>4</sup> To the extent any of the relief requested herein is not granted on the Petition Date, in the  
28 alternative, and out of an abundance of caution, the Debtor requests that the Court set a final hearing  
on any remaining matters on the earliest available date that is more than 21 days after the Petition  
Date pursuant to Bankruptcy Rule 6003.

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1. Authorizing, but not requiring, the Debtor in its sole discretion, (i) to honor any prepetition Customer Obligations under the Customer Programs; and (ii) to continue their Customer Programs in the ordinary course of business;
2. Authorizing all applicable banks and other financial institutions, when requested by the Debtor, to receive, process, honor, and pay any and all checks and transfers related to the foregoing, whether presented prior to or after the Petition Date in accordance with the stated policies with regard thereto, provided sufficient funds exist in Debtor's accounts to cover such payment;
3. Waiving the fourteen-day stay applicable to any order approving the use of estate property imposed by Bankruptcy Rule 6004(h);
4. Waiving the 21-day time period imposed by Bankruptcy Rule 6003 to avoid immediate and irreparable harm; and
5. Such other and further relief as is just and proper.

DATED: May 24, 2022

BG LAW LLP

By: /s/ Susan K. Seflin  
Steven T. Gubner  
Susan K. Seflin  
Jessica Wellington  
Proposed Attorneys for Chapter 11  
Debtor and Debtor in Possession

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Proposed Attorneys for Chapter 11 Debtor  
and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re  
Front Sight Management LLC,

Case No. 22-11824-abl

Chapter 11

**Date:**

**Time:**

**Place:**

**ORDER AUTHORIZING THE DEBTOR TO HONOR AND CONTINUE CERTAIN  
CUSTOMER PROGRAMS AND CUSTOMER OBLIGATIONS IN THE ORDINARY  
COURSE OF BUSINESS**

1 This matter having come before the Court upon the Motion<sup>1</sup> of the above-captioned debtor  
2 and debtor-in-possession (the “Debtor”) pursuant to Sections 105, 363, 507(a), 1107(a) and 1108 of  
3 the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, for entry of an order (this “Order”) (1)  
4 authorizing the Debtor to honor its prepetition Customer Obligations; (2) authorizing the Debtor to  
5 continue its Customer Programs in the ordinary course of business; (3) authorizing all applicable  
6 banks and other financial institutions, when requested by the Debtor, to receive, process, honor, and  
7 pay any and all checks and transfers related to the foregoing, whether presented prior to or after the  
8 Petition Date in accordance with the stated policies with regard thereto, provided sufficient funds  
9 exist in the Debtor’s accounts to cover such payment; and (4) for such other and further relief as is  
10 just and proper, all as more fully set forth in the Motion and upon the Piazza Declaration; and it  
11 appearing that the relief provided herein is in the best interests of the Debtor’s estate, its creditors  
12 and all other parties in interest; and this Court having jurisdiction over this matter pursuant to 28  
13 U.S.C. §§ 157 and 1334; and this Court having found that venue of this proceeding and the Motion  
14 in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that  
15 this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that the  
16 Debtor’s notice of the Motion and opportunity for a hearing on the Motion were appropriate under  
17 the circumstances and no other notice need be provided; and this Court having reviewed the Motion  
18 and having heard the statements in support of the relief requested therein at a hearing, if any, before  
19 this Court (the “Hearing”); appearances having been noted on the record at the Hearing; the Court  
20 having stated its findings of fact and conclusions of law on the record at the Hearing on the Motion,  
21 which findings of fact and conclusions of law are incorporated herein by this reference in accordance  
22 with Fed. R. Civ. P. 52, as made applicable by Bankruptcy Rule 9014; and this Court having  
23 determined that the legal and factual bases set forth in the Motion and at the Hearing establish just  
24 cause for the relief granted herein; and upon all of the proceedings had before this Court; and after  
25 due deliberation and sufficient cause appearing:

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28 <sup>1</sup> All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

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**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED in its entirety.
2. The Debtor is authorized, but not directed, to honor its prepetition Customer Obligations with such Customer Obligations.
3. The Debtor is authorized, but not directed, to continue the Customer Programs in the ordinary course of business.
4. Each of the banks and financial institutions at which the Debtor maintains its accounts is authorized and directed, when requested by the Debtor, to receive, process, honor, and pay all such checks presented for payment and transfer requests made by the Debtor related to its Customer Obligations pursuant to the Customer Programs, to the extent sufficient funds are on deposit in such accounts.
5. Such banks and financial institutions shall be entitled to rely on the representations of the Debtor as to which checks or transfer requests are issued or authorized to be paid pursuant to this Order.
6. The Debtor is authorized to issue replacement checks, submit replacement fund transfer requests, or provide other means to the extent necessary to pay all outstanding prepetition Customer Obligations described in the Motion.
7. Nothing in the Motion or this Order, nor as a result of the Debtor's payment of claims pursuant to this Interim Order, shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtor or an approval or assumption of any agreement, contract, or lease pursuant to Section 365 of the Bankruptcy Code.
8. Nothing in the Motion or this Order, nor as a result of the Debtor's payment of claims pursuant to this Order, shall impair or prejudice the Debtor's ability to contest, in its sole discretion, the extent, perfection, priority, validity, or amounts of any property interests, claims, or liens arising from or related to the Customer Programs or Customer Obligations. The Debtor does not concede that any property interests, claims, or liens (whether contractual, possessory, common law, statutory, or otherwise) that may be satisfied pursuant



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to this Order are valid, and the Debtor expressly reserves all rights to contest the extent, validity, or perfection or seek the avoidance of all such property interests, claims, or liens.

9. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

10. Any stay pursuant to Bankruptcy Rule 6004(h) or otherwise is hereby waived, and the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. The Debtor is excepted from operation of Bankruptcy Rule 6003(b), as the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor's estate.

12. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

**IT IS SO ORDERED.**

Submitted by:  
BG LAW LLP

By: \_\_\_\_\_  
Steven T. Gubner  
Susan K. Seflin  
Jessica Wellington

Proposed Attorneys for Chapter 11  
Debtor and Debtor in Possession

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**LR 9021 CERTIFICATION**

In accordance with LR 9021, an attorney submitting this document certifies as follows

(check one):

The court has waived the requirement set forth in LR 9021(b)(1).

No party appeared at the hearing or filed an objection to the motion.

I have delivered a copy of this proposed order to all attorneys who appeared at the hearing and opposed the relief, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

I certify that this is a case under chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

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