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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

Place: Courtroom

23 **DEBTOR’S EMERGENCY MOTION FOR ORDER EXTENDING THE TIME TO FILE**
 24 **BANKRUPTCY SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS;**
 25 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF**

26 Front Sight Management LLC dba Front Sight Firearms Training Institute, the chapter 11
 27 debtor and debtor in possession herein (the “Debtor”) hereby files its emergency motion (the
 28 “Motion”), pursuant to Sections 105(a) and 521(a) of Title 11 of the United States Code, Rules
 1007(c) and 9006(b)(1) of the Federal Rules of Bankruptcy Procedure, and Rule 1007(d) of the

1 Local Rules of Bankruptcy Practice for the United States District Court for the District of Nevada,
2 for an entry of an order extending the time to file its schedules of assets and liabilities, schedule of
3 current income and expenditures, schedule of executory contracts and unexpired leases, and
4 statement of financial affairs for approximately thirty (30) days from the petition date, without
5 prejudice to the Debtor's ability to request additional time.

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

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

14 DATED: May 24, 2022

BG LAW LLP

15
16 By: /s/ Susan K. Seflin
17 Steven T. Gubner
18 Susan K. Seflin
19 Jessica Wellington
20 Proposed Attorneys for Chapter 11
21 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 Sections¹ 105 and
13 521(a), and Bankruptcy Rules 1007(c) and 9006(b)(1), and Local Rule 1007(d).

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 “Bankruptcy Code”). The Debtor continues to operate its
19 business and manage its affairs as a debtor in possession pursuant to sections 1107(a) and 1108 of
20 the Bankruptcy Code. No trustee, examiner, or committee has been appointed in the Debtor’s
21 chapter 11 case.

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

23 5. The Debtor was founded in 1996 by Ignatius Piazza. Mr. Piazza owns, either directly
24 or indirectly, 100% of the Debtor. The Debtor was originally formed as a California business and
25 operated near Bakersfield, California from its formation in 1996 until 2002. In 1998, the Debtor
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27 ¹ Unless otherwise stated, all references to “Sections” herein shall be to the Bankruptcy Code
28 appearing in Title 11 of the U.S. Code; all references to a “Bankruptcy Rule” shall refer to the
Federal Rules of Bankruptcy Procedure; and all references to a “Local Rule” shall refer to the Local
Rules of Bankruptcy Practice for the United States District Court for the District of Nevada.

1 purchased 550 acres of raw land 45 minutes from Las Vegas, acquired approximately 500 acre feet
2 of water rights and began building what is now the finest and largest private firearms training facility
3 in the world (the “Front Sight Property”).

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

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

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

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

19 10. Over the last 25 years, the Debtor has trained a million students and currently has
20 over 261,000 members.

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

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

1 be used for 2 day or 4 day training courses], etc.) would lead to a “captive” customer base that would
2 be more likely to take advantage of the Vacation Club & Resort which would then bring increased
3 revenue to the Debtor.

4 **C. Disputed Lending Transaction & the Reasons Behind the Debtor’s Bankruptcy**
5 **Filing.**

6 13. With that goal in mind, the Debtor began researching its financing options. Financing
7 from traditional banks was largely unavailable to the Debtor due to its business centering around the
8 use of firearms. In 2012, the Debtor was approached by Robert W. Dziubla (“Dziubla”) John
9 Fleming (“Fleming”), doing business as Las Vegas Development Fund LLC (“LVDF”), who
10 represented themselves as like-minded, pro-gun patriots who told the Debtor that they would be able
11 to obtain a financing package for the Debtor to raise up to \$150 million (at a low interest rate) to
12 build and bring to market, among other things, the Vacation Club & Resort. Dziubla, Fleming and
13 LVDF stated that all they needed from the Debtor was \$300,000 in fees needed to secure approval
14 from the United States Customs and Immigration Service (“USCIS”) and \$100,000 in marketing
15 costs to solicit foreign investors to participate in an EB-5² immigration investment plan.

16 14. The Debtor initially declined the Dziubla, Fleming and LVDF offer twice. Dziubla
17 and Fleming persisted and promised the Debtor that due to their vast experience raising foreign
18 investments, their personal connections in China, and their desire to help the Debtor complete its
19 development, that they could raise the necessary funds within a year.

20 15. After months of solicitation and misrepresentations, Front Sight unwittingly accepted
21 Dziubla’s and Fleming’s proposal. Front Sight paid the requested \$300,000 in fees to secure
22 approval from the USCIS to market the EB-5 investment project. Instead of taking a year as
23 promised to secure the USCIS approval, it took over two years. Front Sight paid the aforementioned
24 \$100,000 in marketing fees, as well as another \$120,000 in marketing fees, but the promised funding
25 never materialized.

26 16. Four years later, in 2016, Dziubla and Fleming continued their misrepresentations by
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28 ² An “EB-5” investment allows qualified foreign investors who meet specific capital investments
and job creation requirements to potentially obtain permanent residency.

1 stating they had secured the first \$2.5 million in investor funding, and had hundreds of investors in a
2 pipeline to invest in the construction project, but needed to execute a construction loan document to
3 start the flow of investment money. In October of 2016, after three months of negotiating a
4 construction loan agreement, the Debtor was induced into signing the agreement with the
5 expectation that full funding would follow shortly thereafter. Dziubla and Fleming produced only
6 \$6.3 million dollars in funding over the next two years, all of which was used by Front Sight under
7 the parameters of the construction loan agreement. During this time period, the Debtor paid the
8 interest payments on the money every month on time and in full. By 2018, the Debtor became
9 suspicious that the funds advanced to Dziubla and Fleming (the \$300,000 in fees and \$220,000 for
10 marketing) had not actually been used to secure USCIS approval and for marketing the project to
11 foreign investors, and requested that Dziubla and Fleming produce such evidence.

12 17. Dziubla and Fleming refused to show proof of where the funds the Debtor paid had
13 been spent and apparently in retaliation for its demands, Dziubla and Fleming fraudulently claimed
14 that the Debtor was in default on a number of terms of the construction loan agreement (which the
15 Debtor was not in default).

16 18. To sum up a very complex history, Dziubla, Fleming and LVDF defaulted on their
17 obligations, failed to raise the funds necessary to complete the Vacation Club & Resort, and
18 litigation was commenced by the Debtor against Dziubla, Fleming, LVDF and related affiliates
19 (collectively, the “LVDF Parties”) in August of 2018, styled *Front Sight Management, LLC v. Las*
20 *Vegas Development Fund LLC et al.*, Case No. A-18-781084-B, which is pending before the Eighth
21 Judicial District Court in Clark County, Nevada (the “LVDF Litigation”). In the LVDF Litigation,
22 the Debtor asserts claims for, among other things, fraud in the inducement, intentional
23 misrepresentation, breach of fiduciary duty and conversion against the LVDF Parties. Dziubla,
24 Fleming, and LVDF then filed a fraudulent foreclosure action against the Debtor. The judge in the
25 civil action placed a temporary restraining order on the foreclosure action. The civil action has been
26 pending for nearly four years.

27 19. While the Debtor believes it will ultimately prevail in the litigation, the Debtor’s legal
28 fees related to the LVDF Litigation and foreclosure action have exceeded one million dollars to date.

1 Furthermore, the most damaging consequences arising out of the LVDF Parties malfeasance are (a)
2 the loss of momentum the Debtor has suffered in completing the development of its project, (b) the
3 loss of member confidence the Debtor has suffered due to all the delays in the project, (c) the
4 resulting reduction in membership sales, and (d) the increased difficulty for the Debtor to obtain
5 additional financing to complete the project.

6 20. As 2021 came to an end, the Debtor solicited its members to participate in a number
7 of marketing offers in an attempt to raise sufficient funds to complete the aforementioned litigation.
8 Unfortunately, the Debtor was not able to raise sufficient funds.

9 21. Because the Vacation Club & Resort and related projects have not yet materialized
10 and the Debtor's ability to obtain traditional financing to complete the construction is impossible
11 while the LVDF Litigation is pending, the Debtor has determined that it must reorganize its business
12 to generate sufficient cash flow on an ongoing basis to support itself. While the Debtor has not yet
13 finalized all the details of its plan of reorganization, the Debtor intends on implementing certain
14 annual fees and other costs while giving members and creditors direct profit participation in the
15 reorganized Debtor.

16 22. The Debtor hopes that the ability to participate in profits post-bankruptcy will
17 incentivize its current members to continue their membership with the Debtor.

18 23. While the Debtor is working diligently to improve its cash flow, an injunction that
19 was in place in LVDF Litigation which stayed the foreclosure of the Front Sight Property was
20 recently lifted. Without the filing of this bankruptcy, the Front Sight Property would be foreclosed
21 upon and the Debtor would have no choice but to immediately fire all of its employees and close its
22 business.

23 **III. RELIEF REQUESTED AND BASIS FOR RELIEF**

24 24. By this Motion, and for the reasons detailed below, the Debtor requests an extension
25 of the 14-day period to file the Schedules and Statement of Financial Affairs ("SOFA") for an
26 additional 14 days pursuant to Bankruptcy Rule 1007(c) and Local Rule 1007(d), without prejudice
27 to the Debtor's ability to request additional time should it become necessary.
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1 25. On the Petition Date, in partial satisfaction of the requirements of Bankruptcy Rule
2 1007, the Debtor filed with this Court a list of creditors holding the twenty (20) largest unsecured
3 claims against the Debtor's estate.

4 26. Due to the large number of pressing matters present in the early stages of the Debtor's
5 case, the Debtor anticipates that it will be unable to complete the Schedules and SOFA in the 14-day
6 time period established under Bankruptcy Rule 1007(c).

7 27. To prepare its Schedules and SOFA, the Debtor must compile a large amount of
8 financial information from books, records, and documents relating to its assets, contracts and claims
9 of creditors. This information is voluminous and assembling the necessary information requires a
10 significant expenditure of time and effort on the part of the Debtor and its employees. Indeed, the
11 Debtor has approximately 263,000 members who parties in interest in this bankruptcy case, and the
12 Debtor believes that at least 80,000 of its members are also creditors. While the Debtor is working
13 diligently and expeditiously on the preparation of the Schedules and SOFA, resources are limited.

14 28. In view of the amount of work entailed in completing the Schedules and SOFA and
15 the competing demands upon the Debtor's employees and professionals during the initial
16 postpetition period, the Debtor will not be able to properly and accurately complete the Schedules
17 and SOFA within the 14-day time period established under Bankruptcy Rule 1007(c).

18 29. Creditors and other parties in interest will not be harmed by the proposed extension of
19 the filing deadline, because, even under the extended deadline, the Schedules and SOFA would be
20 filed in advance of any planned bar date or other significant event in this case.

21 30. The Debtor submits that the facts of this case constitute "cause" for granting the
22 request. The standard for doing so was discussed in *Bryant v. Smith*, 165 B.R. 176, 182 (W.D. Va.
23 1994):

24 The cause shown language of Bankruptcy Rule 1007(c) is also used in
25 F.R.C.P. 6(b)(1) of the Federal Rules of Civil Procedure and has the
26 same meaning. F.R.C.P. 6(b)(1) requires the party seeking an
27 enlargement of time simply to "demonstrate some justification for the
28 issuance of the order." 4A Charles A. Wright & Arthur R. Miller,
Federal Practice and Procedure, § 1165 at 475 (1987). An application
for an extension of time under F.R.C.P. 6(b)(1) "normally will be
granted in the absence of bad faith or prejudice to the adverse party."
Id. The same is true under Bankruptcy Rule 1007.

1 *Bryant*, 165 B.R. at 182.

2 31. Accordingly, the Debtor submits that, based upon the amount of information that
3 must be assembled and compiled, the limited resources available and the other more pressing items
4 that must be addressed at the inception of this case, good and sufficient cause exists for granting the
5 requested extension of time.

6 32. At present, the Debtor anticipates that it will require approximately thirty (30) days
7 from the Petition Date to complete the Schedules and SOFA.

8 33. The Debtor therefore requests that the Court extend the filing period up to and
9 including June 21, 2022, without prejudice to the Debtor's ability to request additional time should it
10 become necessary.

11 34. Based on the foregoing, the Debtor submits that the relief requested herein is
12 necessary and appropriate, is in the best interests of its estate and all other interested parties, and
13 should be granted in all respects.

14 **IV. NOTICE**

15 35. The Debtor will provide notice of this Motion to the Office of the United States
16 Trustee, secured creditors, those creditors holding the twenty (20) largest unsecured claims, those
17 governmental agencies required to receive notice under Bankruptcy Rule 5003(e), and any such
18 other party entitled to notice pursuant to Bankruptcy Rule 2002.

19 **V. CONCLUSION**

20 Based on the foregoing, Debtor respectfully requests that the Bankruptcy Court enter an
21 order granting the relief requested herein, in substantially the form attached hereto as **Exhibit 1**, and
22 to grant such other relief as the Bankruptcy Court deems appropriate under the circumstances.

23 DATED: May 24, 2022

BG LAW LLP

24
25
26 By: /s/ Susan K. Seflin

Steven T. Gubner

Susan K. Seflin

Jessica Wellington

27 Proposed Attorneys for Chapter 11
28 Debtor and Debtor in Possession

EXHIBIT “1”

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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:

**ORDER GRANTING DEBTOR’S EMERGENCY MOTION FOR ORDER EXTENDING
THE TIME TO FILE BANKRUPTCY SCHEDULES AND STATEMENTS OF FINANCIAL
AFFAIRS**

1 The Court, having reviewed and considered the Debtor’s motion (the “Motion”)¹ for an
2 order, pursuant to Sections 105(a) and 521(a) of Title 11 of the United States Code (the “Bankruptcy
3 Code”), Rules 1007(c) and 9006(b)(1) of the Federal Rules of Bankruptcy Procedure (“Bankruptcy
4 Rules”), and Rule 1007(d) of the Local Rules of Bankruptcy Practice for the United States District
5 Court for the District of Nevada (the “Local Rules”), authorizing an extension of time to file the
6 schedules and statements of financial affairs required under Section 521(a)(1) of the Bankruptcy
7 Code (collectively, the “Schedules and SOFA”); and this Court having jurisdiction over this matter
8 pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that venue of this proceeding
9 and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court
10 having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having
11 found that the Debtor’s notice of the Motion and opportunity for a hearing on the Motion were
12 appropriate under the circumstances and no other notice need be provided; and this Court having
13 reviewed the Motion and having heard the statements in support of the relief requested therein at a
14 hearing, if any, before this Court (the “Hearing”); appearances having been noted on the record at
15 the Hearing; the Court having stated its findings of fact and conclusions of law on the record at the
16 Hearing on the Motion, which findings of fact and conclusions of law are incorporated herein by this
17 reference in accordance with Fed. R. Civ. P. 52, as made applicable by Bankruptcy Rule 9014; and
18 this Court having determined that the legal and factual bases set forth in the Motion and at the
19 Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before
20 this Court; and after due deliberation and sufficient cause appearing:

21 **IT IS HEREBY ORDERED** that the Motion is GRANTED; and

22 **IT IS FURTHER ORDERED** that the time within which the Debtor must file its Schedules
23 and SOFA is extended up to and including June 21, 2022, without prejudice to the Debtor’s ability to
24 request additional time.

25 **IT IS SO ORDERED.**

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¹ All capitalized, undefined terms shall have the meaning ascribed to them in the Motion.

1 Submitted by:
2 BG LAW LLP

3 By: _____
4 Steven T. Gubner
5 Susan K. Seflin
6 Jessica Wellington

7 Proposed Attorneys for Chapter 11
8 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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