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Honorable August B. Landis  
United States Bankruptcy Judge



Entered on Docket  
June 02, 2022

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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

**Original Hearing Date:** May 27, 2022  
**Original Hearing Time:** 9:30 a.m.

**Final Hearing Date:** June 24, 2022  
**Final Hearing Time:** 9:30 a.m

**INTERIM ORDER AUTHORIZING MAINTENANCE OF CERTAIN  
PREPETITION BANK ACCOUNTS AND MERCHANT ACCOUNTS  
AND CASH MANAGEMENT SYSTEM**

1 The Court, having reviewed and considered the motion (the “Motion”)<sup>1</sup> filed by Front Sight  
2 Management LLC, the chapter 11 debtor in possession herein (the “Debtor”), for entry of an order,  
3 pursuant to Sections 105(a) and 363, 364(a), 503(b), 1107(a) and 1108 of title 11 of the United  
4 States Code (the “Bankruptcy Code”), Rules 4001, 6003 and 6004 of the Federal Rules of  
5 Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of an order authorizing the maintenance  
6 of certain of the Debtors’ pre-petition bank accounts; and this Court having jurisdiction over this  
7 matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that venue of this  
8 proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this  
9 Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court  
10 having found that the Debtor’s notice of the Motion and hearing appropriate under the circumstances  
11 and no other notice need be provided; and this Court having reviewed the Motion and having heard  
12 the statements in support of the relief requested therein at the hearing held on May 27, 2022 at 9:30  
13 a.m. (the “Hearing”); appearances having been noted on the record at the Hearing; the Court having  
14 stated its findings of fact and conclusions of law on the record at the Hearing on the Motion, which  
15 findings of fact and conclusions of law are incorporated herein by this reference in accordance with  
16 Fed. R. Civ. P. 52, as made applicable by Bankruptcy Rule 9014; and it appearing that the relief  
17 requested is necessary to preserve the Debtor’s ongoing operations and necessary to avoid  
18 immediate and irreparable harm, and is in the best interests of the Debtor, its estates, and its  
19 creditors; and in the light of the circumstances and the emergency nature of the relief requested; and  
20 after due deliberation and sufficient cause appearing therefor,

21 **IT IS HEREBY ORDERED** that the Motion is GRANTED on an interim basis as set forth  
22 in this Interim Order; and

23 **IT IS FURTHER ORDERED** that the Debtor is authorized to use the Debtor’s pre-petition  
24 cash management system and existing pre-bankruptcy accounts as follows, provided the Debtor shall  
25 establish a general DIP operating account which will act as its main operating account:  
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<sup>1</sup> All capitalized, undefined terms shall have the meaning ascribed to them in the Motion.

Bank	Acct. #	Type	Description	Treatment/Order
Bank of Texas	xxx6255	Business Checking & Merchant	Primary disbursement account for checks, wire transfers and ACH payments; Debtor uses this to process payroll through ADP. Receipts from credit cards are deposited into this account.	<ul style="list-style-type: none"> <li>To remain open as the recipient of the Debtor's merchant credit card account funds.<sup>2</sup></li> <li>Convert to collateralized DIP account and provide evidence to United States Trustee ("UST") prior to Final Hearing.</li> </ul>
Bank of America	xxx8176	Business Checking	Former primary disbursement account and merchant account. \$560,000 owed to Debtor from former credit card merchant.	<ul style="list-style-type: none"> <li>Convert to collateralized DIP account and provide evidence to UST prior to Final Hearing.</li> <li>To remain open until at least Debtor receives \$560,000 from former credit card merchant.</li> <li>To be used by Debtor as new local account in Pahrump if able to convert to collateralized DIP account. If not, to be closed immediately after \$560,000 received by Debtor.</li> </ul>
American First National Bank	xxx0322 xxx0187	Business Checking	Used locally in Pahrump for depositing cash and checks from business operations.	<ul style="list-style-type: none"> <li>Debtor to close both accounts by June 6, 2022.</li> <li>May remain open until June 6, 2022 for deposits of checks and cash from operations.</li> </ul>
Wells Fargo	xxx7051	Line of Credit	Debtor has a \$100,000 line of credit.	<ul style="list-style-type: none"> <li>To be closed forthwith.</li> </ul>
City National Bank	Credit Card	CD	\$100,000 Certificate of Deposit which secures the Debtor's credit card	<ul style="list-style-type: none"> <li>This credit card is to be cancelled immediately.</li> <li>Balance of Certificate of Deposit to be returned to Debtor.</li> </ul>

**IT IS FURTHER ORDERED** that other than on a limited basis as set forth in the above chart, the Court is not waiving the requirements of 11 U.S.C. § 345.

<sup>2</sup> Bank of Texas has indicated it will required a \$250,000 minimum in its debtor-in-possession accounts. Therefore, Debtor may be closing this account shortly.

1           **IT IS FURTHER ORDERED** as follows:

2           1.       Bank of Texas and Bank of America shall release any administrative holds and/or  
3 freezes on the Bank of Texas account (xxx6255) and the Bank of America account (xxx8175)  
4 (collectively, the “Pre-BK Accounts”) within 24 hours of entry of this Interim Order.

5           2.       Those certain existing deposit agreements between the Debtor and its existing  
6 depository and disbursement banks (collectively, the “Banks”) shall continue to govern the post-  
7 petition cash management relationship between the Debtor and the Banks, and that all of the  
8 provisions of such agreements, including, without limitation, the termination and fee provisions,  
9 shall remain in full force and effect. Either the Debtor or the Banks may, without further Order of  
10 this Court, implement changes to the cash management systems and procedures in the ordinary  
11 course of business pursuant to terms of those certain existing deposit agreements, including, without  
12 limitation, the opening and closing of bank accounts.

13           3.       Each of the Debtor’s Banks is authorized to debit the Debtor’s accounts in the  
14 ordinary course of business without the need for further order of this Court for: (i) all checks drawn  
15 on the Debtor’s accounts which are cashed at such Bank’s counters or exchanged for cashier’s  
16 checks by the payees thereof after the petition date; and (ii) any pre-petition checks authorized  
17 pursuant to Court order to be honored as may be set forth in other orders on the Debtor’s first day  
18 motions.

19           4.       The Debtor shall promptly furnish to the Banks a list of those Debits drawn or issued  
20 in payment of prepetition claims, the payment of which has been authorized by any order of the  
21 Court, and that the Debtor issues stop payment orders for any prepetition checks which payments has  
22 not been authorized by this Court. The Banks are authorized and directed to rely on the  
23 representations of the Debtor as to which Debits are authorized to be honored and dishonored,  
24 whether or not such Debits are dated prior to, on, or subsequent to the Petition Date, and whether or  
25 not the Banks believe the payment is authorized by an order of the Court. To the extent that the  
26 Debtor directs that any Debit be dishonored, the Debtor may issue replacement Debits consistent  
27 with the orders of this Court.

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1           5.       A Final Hearing on the Motion will be held on June 24, 2022 at 9:30 a.m. via the  
2 Court's teleconference line.

3           6.       The Debtor shall provide written notice of the Final Hearing no later than two  
4 business days after entry of this Interim Order via U.S. Mail to all secured creditors, the 20 largest  
5 unsecured creditors, and the Office of the United States Trustee.

6           **IT IS FURTHER ORDERED THAT** the fourteen-day stay applicable to any order  
7 approving the use of estate property imposed by Bankruptcy Rules 6004(h) is waived; and

8           **IT IS FURTHER ORDERED THAT** the 21-day time period imposed by Bankruptcy Rule  
9 6003 to avoid immediate and irreparable harm is waived.

10          **IT IS SO ORDERED.**

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1 Submitted by:  
2 BG LAW LLP

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

7 Proposed Attorneys for Chapter 11  
8 Debtor and Debtor in Possession

9 **Approved:**  
10 TRACY HOPE DAVIS  
11 UNITED STATES TRUSTEE

**Approved:**  
SCHWARTZ LAW, PLLC

12 By: Edward M. McDonald Jr.  
13 Edward M. McDonald Jr., Esq.  
14 United States Department of Justice  
15 Attorney for the United States Trustee

By: Samuel A. Schwartz  
Samuel A. Schwartz  
Attorneys for FS DIP, LLC

16 **Approved:**  
17 LAW OFFICE OF BRIAN D. SHAPIRO, LLC

18 By: Brian D. Shapiro  
19 Brian D. Shapiro  
20 Attorneys for Las Vegas Development  
21 Fund, LLC  
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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) as to all parties present at the hearing except for counsel for the United States Trustee, counsel for FS DIP, LLC and counsel for Las Vegas Development Fund, LLC.

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 above.

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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