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7 Attorneys for Chapter 11 Debtor and Plaintiff

8 **UNITED STATES BANKRUPTCY COURT**  
 9 **DISTRICT OF NEVADA**

11  
 12 In re  
 13 Front Sight Management LLC,  
 14 Debtor.

Case No. 22-11824-abl  
 Chapter 11  
 Adv. No. 22-01116-abl

16 Front Sight Management LLC, a Nevada Limited  
 17 Liability Company,  
 18 Plaintiff,

**Hearing Date:** September 15, 2022  
**Hearing Time:** 1:30 p.m.

19 v.  
 20 Las Vegas Development Fund LLC, a Nevada  
 21 limited liability company, et al.,  
 22 Defendants.

23 And all related counterclaims.  
 24

25 **STIPULATION RESOLVING DEBTOR’S MOTION FOR ENTRY OF AN ORDER**  
 26 **CONFIRMING TERMINATING SANCTIONS ORDER IS VOID AS A VIOLATION OF**  
 27 **THE AUTOMATIC STAY, OR, IN THE ALTERNATIVE, MOTION FOR RELIEF FROM**  
 28 **ORDER PURSUANT TO FEDERAL RULE OF CIVIL PROCEDURE 60(b)**

1 Front Sight Management LLC, the chapter 11 debtor in possession and plaintiff herein (the  
2 “Debtor”), on the one hand, and Las Vegas Development Fund, LLC (“LVDF”) and its related  
3 defendants and counterclaimants in the above-captioned adversary proceeding (collectively, the  
4 “LVDF Parties”), on the other hand, hereby stipulate and agree as follows (the “Stipulation”):

5 **RECITALS**

6 1. On May 24, 2022, the Debtor filed a voluntary petition for relief under chapter 11 of  
7 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”). The Debtor continues to operate its business and  
8 manage its financial affairs as a debtor in possession pursuant to 1107(a) and 1108 of the Bankruptcy  
9 Code.

10 2. On May 24, 2022, the Debtor filed a *Suggestion of Bankruptcy* in the underlying  
11 action to this removed adversary proceeding, which was then-pending before the District Court for  
12 Clark County, Nevada (the “State Court”) as Case No. A-18-781084-B (the “State Court Action”).

13 3. On May 25, 2022, the Debtor filed a *Notice of Bankruptcy Filing and Notice of*  
14 *Bankruptcy Stay* in the State Court Action.

15 4. On May 25, 2022, a hearing was held before the District Court for Clark County,  
16 Nevada (the “State Court”) on the LVDF Parties’ *Motion for Case Dispositive Sanctions and*  
17 *Supplement to Defendant and Counterclaimants’ Motion for Case Dispositive Sanctions*  
18 (collectively, the “Terminating Sanctions Motion”). At the May 25, 2022 hearing, the State Court  
19 made its oral rulings on the Terminating Sanctions Motion.

20 5. On June 22, 2022, the State Court entered its *Order Granting in Part Defendants and*  
21 *Counterclaims Motion for Case Dispositive Sanctions* (the “Terminating Sanctions Order”).

22 6. On June 23, 2022, the Debtor filed its *Notice of Removal* [Adv. ECF No. 1] pursuant  
23 to which it removed the State Court Action to this Court, which is now pending as the above-  
24 captioned adversary proceeding.

25 7. On June 27, 2022, LVDF filed its *Motion to Remand* [Adv. ECF No. 4] (the “Remand  
26 Motion”) pursuant to which it sought to remand this adversary proceeding back to State Court.

27 8. Also on June 27, 2022, LVDF filed its *Motion to Terminate Stay* [Bankr. ECF No.  
28 206] (the “Stay Motion”) in the Debtor’s main bankruptcy case pursuant to which LVDF sought

1 relief from stay to proceed with the State Court Action in State Court (assuming the Remand Motion  
2 was granted).

3 9. On July 6, 2022, the Debtor filed its *Motion for Entry of an Order Confirming*  
4 *Terminating Sanctions Order is Void as a Violation of the Automatic Stay or, in the Alternative,*  
5 *Motion for Relief from Order Pursuant to Federal Rule of Civil Procedure 60(b)* [Adv. ECF No. 51]  
6 (the “Void Motion”) pursuant to which the Debtor sought, among other things, entry of an order  
7 declaring the Terminating Sanctions Order void ab initio as a violation of the automatic stay.

8 10. On July 18, 2022, Dr. Ignatius Piazza, Jennifer Piazza, VNV Dynasty Trust I, and  
9 VNV Dynasty Trust II (collectively, the “Piazza Parties”), filed their *Motion for Reconsideration*  
10 *Pursuant to Federal Rule of Civil Procedure 54(b)* [Adv. ECF No. 72] (the “Reconsideration  
11 Motion”) pursuant to which they sought reconsideration of the Terminating Sanctions Order.

12 11. On July 25, 2022, the Court held hearings on the Remand Motion and the Stay  
13 Motion, and informed the parties that it would issue its oral rulings on both motions on September 9,  
14 2022.

15 12. On September 1, 2022, the Court held hearings on the Void Motion and the  
16 Reconsideration Motion and informed the parties that it would issue its oral rulings on both motions  
17 on September 15, 2022.

18 13. At the September 9, 2022 oral ruling hearing, the Court denied the Remand Motion  
19 and the Stay Motion for the reasons set forth on the Court’s record, and found that (a) all of the  
20 LVDF Parties’ counterclaims against the Piazza Parties are property of the bankruptcy estate as they  
21 are based upon fraudulent transfer and alter ego claims, and (b) only the Debtor and/or its  
22 bankruptcy estate has the ability to prosecute those claims post-petition.

23 14. In light of the Court’s findings made at the September 9, 2022 hearing that all of the  
24 LVDF Parties’ counterclaims are property of the bankruptcy estate, the parties have agreed to  
25 resolve the Void Motion as stipulated below.

#### 26 **STIPULATION**

27 Now, therefore, the parties agree, subject to Court approval:  
28

1 A. The LVDF counterclaims against the Piazza Parties are property of the bankruptcy  
2 estate.

3 B. The Void Motion is resolved as set forth in this Stipulation.

4 C. The Terminating Sanctions Order is void ab initio, as are any rulings made by the  
5 State Court at the May 25, 2022 hearing on the Terminating Sanctions Motion, as a violation of the  
6 automatic stay.

7 D. The Debtor agrees not to seek monetary sanctions against the LVDF Parties or their  
8 professionals with respect to the Void Motion but reserves its rights (i) to object to any attorneys’  
9 fees or costs asserted by LVDF in its claim(s) against the Debtor (or by any of the other LVDF  
10 Parties to the extent they seek a claim against the Debtor or its estate), and (ii) to assert the Debtor is  
11 entitled to offset its fees and costs relating to the Void Motion from any allowed claim(s) of the  
12 LVDF Parties.

13 E. LVDF agrees not to seek sanctions or other relief relating to the Debtor’s or the  
14 Piazza Parties’ failure to appear for depositions pre-petition. This clause does not affect (i) LVDF’s  
15 ability to assert it is owed attorneys’ fees and costs related to the pre-petition failure to appear under  
16 the applicable loan and loan related documents, or (ii) its ability to seek to depose the Debtor or the  
17 Piazza Parties in connection with this adversary proceeding.

18 F. The *Motion for Bankruptcy 9011 Sanctions* served by the Law Office of Brian D.  
19 Shapiro, LLC on counsel for the Debtor with respect to the Void Motion is withdrawn with  
20 prejudice.

21 G. Upon entry of the Order approving this Stipulation, the Piazza Parties will withdraw  
22 their Reconsideration Motion as moot.

23 H. Upon entry of the Order approving this Stipulation, the oral rulings scheduled for  
24 September 15, 2022 at 1:30 p.m. shall be vacated.

25 Dated: September 14, 2022

BG Law LLP

26 By: /s/ Susan K. Seflin

27 Susan K. Seflin

Attorneys for Chapter 11

Debtor in Possession and Plaintiff

28 [Signatures Cont’d on Nex Page]

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Dated: September 14, 2022

Law Office of Brian D. Shapiro, LLC

By: /s/ Brian D. Shapiro  
Brian D. Shapiro  
Attorneys for the LVDF Parties

**Consent to Paragraph F:**

Law Office of Brian D. Shapiro, LLC

By: /s/ Brian D. Shapiro  
Brian D. Shapiro  
Attorneys for Law Office of Brian  
D. Shapiro

**Consent to Paragraph G:**

Garman Turner Gordon LLP

By: /s/ Gregory E. Garman  
Gregory E. Garman  
Attorneys for the Piazza Parties