

1 STEVEN T. GUBNER – NV Bar No. 4624  
 SUSAN K. SEFLIN – CA Bar No. 213865 – *Pro Hac Vice* Granted  
 2 JESSICA WELLINGTON – CA Bar No. 324477 - *Pro Hac Vice* Granted  
 BG LAW LLP  
 3 300 S. 4<sup>th</sup> Street, Suite 1550  
 Las Vegas, NV 89101  
 4 Telephone: (702) 835-0800  
 Facsimile: (866) 995-0215  
 5 Email: ssubner@bg.law  
 sseflin@bg.law  
 6 jwellington@bg.law

7 Attorneys for Chapter 11 Debtor  
 and Plan Proponent

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

**Continued Hearing Date:** October 3, 2022  
**Continued Hearing Time:** 10:30 a.m.

18 **DECLARATION OF SUSAN K. SEFLIN SUBMITTING DEBTOR’S PROPOSED ORDER**  
 19 **APPROVING DISCLOSURE STATEMENT AND RELATED PROCEDURES MOTION**

20 I, Susan K. Sefflin, hereby declare as follows:

21 1. I am an attorney duly licensed to practice law in the State of California and admitted  
 22 pro hac vice to this Court pursuant to Court order entered on June 2, 2022 [ECF No. 83].

23 2. I am a partner of BG Law LLP, chapter 11 bankruptcy counsel to Front Sight  
 24 Management LLC, the chapter 11 debtor in possession herein (the “Debtor”). I have personal  
 25 knowledge of the facts contained in this declaration, and if called as a witness, I would and could  
 26 competently testify thereto under oath.

27 3. Attached hereto is the Debtor’s proposed order granting the Debtor’s motion [ECF  
 28 No. 339] (the “Motion”) for, among other things, entry of an order (i) approving the Debtor’s first



## **Proposed Disclosure Statement Order**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

STEVEN T. GUBNER – NV Bar No. 4624  
SUSAN K. SEFLIN – CA Bar No. 213865 – *Pro Hac Vice* Granted  
JESSICA WELLINGTON – CA Bar No. 324477 - *Pro Hac Vice* Granted  
BG LAW LLP  
300 S. 4<sup>th</sup> Street, Suite 1550  
Las Vegas, NV 89101  
Telephone: (702) 835-0800  
Facsimile: (866) 995-0215  
Email: sgubner@bg.law  
sseflin@bg.law  
jwellington@bg.law

Attorneys for Chapter 11 Debtor in Possession  
and Plan Proponent

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEVADA**

In re:  
  
Front Sight Management LLC,  
  
Debtor.

Case No. 22-11824-abl

Chapter 11

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

**Continued Hearing Date:** October 3, 2022  
**Continued Hearing Time:** 10:30 a.m.

**ORDER APPROVING (I) ADEQUACY OF DEBTOR’S SECOND AMENDED DISCLOSURE STATEMENT (AS MAY BE FURTHER AMENDED OR MODIFIED); (II) APPROVING SOLICITATION PROCEDURES, MANNER OF NOTICE AND VOTE TABULATION PROCEDURES; (III) ESTABLISHING VOTING RECORD DATE AND DEADLINE FOR RECEIPT OF BALLOTS; AND (IV) FIXING DATE, TIME AND PLACE FOR CONFIRMATION HEARING AND (V) SETTING DEADLINE TO FILE OBJECTIONS TO CONFIRMATION**

1 Hearings were held before the Honorable August B. Landis, Chief United States Bankruptcy  
2 Judge for the District of Nevada (the “Bankruptcy Court”), on September 30, 2022 at 9:30 a.m. and  
3 on October 3, 2022 at 10:30 a.m. (the “Disclosure Statement Hearings”) for the Court to consider the  
4 motion [ECF No. 339] (the “Motion”) filed by Front Sight Management LLC, the chapter 11 debtor  
5 in possession and plan proponent herein (the “Debtor”), for entry of an order: (i) approving the  
6 Debtor’s first amended disclosure statement [ECF No. 338] as modified by the redline of the  
7 Debtor’s second amended disclosure statement filed by the Debtor [ECF No. 400] (as may be further  
8 amended or modified, the “Disclosure Statement”) describing the Debtor’s first amended chapter 11  
9 plan of reorganization [ECF No. 337] (as may be further amended or modified, the “Plan”) or, in the  
10 alternative, approving the Disclosure Statement on a conditional basis; (ii) approving the form of  
11 ballots (“Ballots”) and proposed solicitation and tabulation procedures; (iii) fixing the voting  
12 deadline with respect to the Plan; (iv) fixing the last date for filing objections to the Plan; and (v)  
13 scheduling a hearing to consider confirmation of the Plan.<sup>1</sup> Appearances are as noted on the record  
14 of the Disclosure Statement Hearings.

15 The Court having reviewed (a) the Motion and the Disclosure Statement (and all pleadings  
16 and supplements filed in support thereof and all exhibits either submitted in connection therewith or  
17 of which the Bankruptcy Court has taken judicial notice as appropriate under Federal Rules of  
18 Evidence 201(b) and (c)), (b) the objections (collectively, the “Objections”) to the Motion and/or  
19 Disclosure Statement filed by (i) the United States Trustee [ECF No. 356], (ii) the Official  
20 Committee of Unsecured Creditors [ECF No. 361], (iii) Las Vegas Development Fund LLC [ECF  
21 No. 373] and (iv) Michael Meacher dba Bankgroup Financial Services [ECF No. 375], (c) the replies  
22 to the Objections filed by the Debtor [ECF No. 387] and by FS DIP, LLC [ECF No. 388], and (d)  
23 other pleadings on file as set forth on the record; the Court having considered the representations and  
24 arguments of counsel made at the Disclosure Statement Hearings; and the Court having determined  
25 that the relief requested in the Motion is in the best interests of the Debtor, its estate, and creditors,  
26 and good cause appearing therefor;

27  
28 <sup>1</sup> Any capitalized term that is not defined in this Order shall have the same meaning ascribed to such  
term in the Motion, the Disclosure Statement and the Plan.

1 **IT IS HEREBY FOUND THAT:**

2 A. The Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§  
3 157 and 1334. Venue of the Debtor’s chapter 11 case and the Motion is proper in this District and  
4 the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409. The Motion is a core proceeding  
5 pursuant to 28 U.S.C. §§ 157(b)(2)(A), (L) and (O).

6 B. The relief requested in the Motion is in the best interests of the Debtor, its estate and  
7 all parties in interest.

8 C. As evidenced by the certificates of service filed with the Court, (i) timely, adequate  
9 and sufficient notice of the Motion and the original Disclosure Statement Hearing was provided, (ii)  
10 such notice constitutes due and proper notice for purposes of sections 102(1), 105, 1125(b), 1126  
11 and 1128 of 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”) and Bankruptcy Rules 2002, 3017,  
12 3018, 3020, 9006 and 9014, (iii) such notice was reasonable, sufficient and appropriate under the  
13 circumstances, and (iv) no other or further notice of the Motion, the Disclosure Statement Hearings  
14 or the entry of this Order is deemed necessary or required.

15 D. A reasonable opportunity to object or be heard with respect to the Motion and relief  
16 requested therein has been afforded to all persons and entities that are entitled to receive such notice.

17 E. The Disclosure Statement contains “adequate information” as that term is used and  
18 defined in section 1125 of the Bankruptcy Code.

19 F. The procedures set forth in the Motion and as modified below for transmitting to  
20 parties in interest the Ballots, the Disclosure Statement, the Plan, notices and/or other documents  
21 referenced in the Motion comply with all applicable legal requirements, including Bankruptcy Rules  
22 3017(d) and 3017(e).

23 G. The period during which the Debtor may solicit votes to accept or reject the Plan, as  
24 established by this Order, provides a sufficient time for creditors to make informed decisions to  
25 accept or reject the Plan and submit timely Ballots.

26 H. The procedures for the solicitation and tabulation of votes to accept or reject the Plan,  
27 as approved by this Order, provide a fair and equitable voting process and are consistent with section  
28 1126 of the Bankruptcy Code and Bankruptcy Rule 3018.

1 I. The contents of the Solicitation Package and the procedures for providing notice of  
2 the date, time and place of the confirmation hearing (the “Confirmation Hearing”) regarding the Plan  
3 or any amended version thereof comply with Bankruptcy Rules 2002, 3017 and 3020(b) and section  
4 1128 of the Bankruptcy Code, and constitute sufficient notice to all interested parties in accordance  
5 with the Bankruptcy Rules, Bankruptcy Code and the Local Bankruptcy Rules.

6 J. The legal and factual bases set forth in the Motion and at the Disclosure Statement  
7 Hearing establish sufficient cause for the relief granted by this Order; and

8 **Based on the above findings, the Court hereby ORDERS as follows:**

9 1. The findings of fact set forth above and conclusions of law set forth herein shall  
10 constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052,  
11 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding of  
12 fact later shall be determined to be a conclusion of law, it shall be adopted as such, and to the extent  
13 that any conclusion of law shall later be determined to be a finding of fact, it shall be adopted as  
14 such. To the extent that the Court made findings of fact and conclusions of law in the course of its  
15 ruling at the Disclosure Statement Hearings, those findings of fact and conclusions of law are  
16 incorporated into this Order by this reference pursuant to Fed. R. Civ. P. 52, made applicable in this  
17 contested matter pursuant to Fed. R. Bankr. P. 9014(a) and (c) and 7052.

18 2. The Motion is granted as modified by this Order.

19 3. The Confirmation Hearing shall be held on **November 18, 2022 at 9:30 a.m.**

20 4. To the extent the Objections were not resolved on the record at the Disclosure  
21 Statement Hearings, the Objections are overruled.

22 5. The Disclosure Statement as modified by ECF No. 400 is approved as containing  
23 adequate information within the meaning of section 1125 of the Bankruptcy Code.

24 6. The proposed procedures for soliciting and tabulating votes to accept or reject the  
25 Plan are approved as set forth in this Order.

26 7. Record Date. Pursuant to Bankruptcy Rule 3017(d), **September 30, 2022** shall be the  
27 date (the “Record Date”) for determining which holders of claims against the Debtor are entitled to  
28 receive Solicitation Packages and vote on the Plan subject to Paragraph 10 below.

1           8.       The Debtor shall have no obligation to recognize for purposes of voting on the Plan  
2 any claim transferred after the Record Date. Instead, the Debtor shall be entitled to recognize and  
3 deal for voting purposes with only those record holders set forth in the Debtor’s claim register as of  
4 the Record Date.

5           9.       The Debtor shall transmit, or cause to be transmitted, to all creditors entitled to vote  
6 by no later than **October 7, 2022**, the following materials (collectively and as defined in the Motion,  
7 the “Solicitation Package”): (a) the notice of hearing on plan confirmation (the “Confirmation  
8 Hearing Notice”); (b) the Plan, including all exhibits; (c) the Disclosure Statement, including all  
9 exhibits, and (d) a Ballot, either in PDF format or as an electronic link, to accept or reject the Plan.  
10 The Confirmation Hearing Notice shall inform parties that they can download the Plan and  
11 Disclosure Statement (with exhibits) and any other Plan related documents in PDF format from the  
12 following link: <https://cases.stretto.com/FrontSight>.

13           10.      The Solicitation Package (including a link to electronically submit their Ballot) shall  
14 be served via email on the following parties by no later than October 7, 2022: (a) all scheduled  
15 creditors and equity holders (approximately 2,700 people); (b) all parties who have requested special  
16 notice; (c) all parties who have filed proofs of claim as of September 30, 2022; and (d) parties to  
17 unexpired leases or executory contracts listed in the Debtor’s Schedule G. All members who spent  
18 money on their memberships and member benefits (approximately 77,000 people) (the “Active  
19 Members”) will receive the Confirmation Hearing Notice, the Plan, the Disclosure Statement, a  
20 notice that the Debtor is seeking to terminate their membership through the Plan which will include a  
21 claim bar date of November 4, 2022 to file a claim if they want to vote and a notice of claim bar date  
22 of 30 days after the Effective Date (estimated to be in the middle of December) if they do not want  
23 to vote (the “Rejection Bar Date Notice”), and a proof of claim form. Within 24 hours of an Active  
24 Member filing a proof of claim, such Active Member shall receive an email with a link to  
25 electronically submit his or her Ballot to vote. To the extent any Active Member files his or her  
26 proof of claim on or before November 4, 2022 and such Active Member’s Ballot is received by  
27 Stretto by the end of the day November 10, 2022, the Debtor shall include such Active Member’s  
28 Ballot in the Debtor’s Ballot Tally due on November 11, 2022.



1 11. The Confirmation Hearing Notice shall be sent via U.S. mail to the following  
2 parties: (a) all scheduled creditors and equity holders (approximately 2,700 people); (b) all parties  
3 who have requested special notice; and (c) all parties who have filed proofs of claim as of September  
4 30, 2022.

5 12. The Confirmation Hearing Notice, the Rejection Bar Date Notice, and a proof of  
6 claim form shall be sent via email to the Debtor's 183,900 inactive members who have not spent  
7 money with the Debtor.

8 13. For creditors who filed duplicate claims, or who filed proofs of claims that supersede  
9 scheduled claims, the Debtor is only required to email one Solicitation Package thereto and mail one  
10 Confirmation Hearing Notice.

11 14. Stretto is not required under this Order to send a Solicitation Package to creditors  
12 where Stretto has, on at least two separate occasions, mailed notice or other documents to such  
13 creditor which was returned as undeliverable or as being the wrong address for the person or entity.

14 15. With respect to creditors who have provided more than one address in connection  
15 with this case, the Debtor is authorized to send a single Solicitation Package to one email address for  
16 the creditor and to send the Confirmation Hearing Notice to one physical address, which addresses  
17 shall be determined by the following criteria:

18 a. If the creditor is represented by an attorney, then the attorney's email or  
19 physical address will be used;

20 b. If (a) does not apply and if the creditor has filed a proof of claim, the address  
21 or email on the proof of claim will be used;

22 c. If (a) and (b) do not apply and if the creditor has filed a pleading or other  
23 document with the Court, then the address or email on such pleading or document will be  
24 used; and

25 d. If (a), (b) and (c) do not apply, the most recently provided address or email  
26 will be used.

27 16. In order to be considered a valid acceptance or rejection of the Plan, each Ballot must  
28 be properly completed, signed, and actually received by Stretto, via United States mail, overnight

1 courier, messenger, or electronically not later than **10:00 p.m. Pacific time on November 4, 2022**  
2 (the “Voting Deadline”) – except with respect to Ballots described in Paragraph 10 of this Order.

3 17. The Debtor may, but is not required to, extend the Voting Deadline upon request of a  
4 voting party, in its sole and absolute discretion, and in consultation with the Committee.

5 18. Solely for the purposes of voting to accept or reject the Plan (and not for the purpose  
6 of allowance of claims and interests), the following rules (the “Tabulation Rules”) shall apply:

7 a. The Ballots of holders of proofs of claim where the proof of claim was timely  
8 filed but the proof of claim is in an unknown or unspecified amount will be counted as  
9 Ballots in the amount of a \$1.00.

10 b. If a claim is listed in the Debtor’s Schedules as contingent, unliquidated or  
11 disputed, and the holder of the claim has not timely filed a proof of claim, the vote of the  
12 holder of such claim will not be counted.

13 c. If a claim has been estimated or allowed by the Bankruptcy Court, such claim  
14 will be allowed for voting purposes in the amount estimated by the Bankruptcy Court.

15 d. If the Debtor has sought or seeks to disallow a claim in an objection, such  
16 claim will be disallowed pending allowance or estimation of the claim by the Bankruptcy  
17 Court.

18 e. Ballots where the claim holder did not use the official ballot will not be  
19 counted.

20 f. Ballots where the intent of the claim holder is unclear or where the claim  
21 holder failed to check either “accept” or “reject” will be counted as votes to accept the Plan.

22 g. Unsigned Ballots or Ballots not signed by an authorized representative will  
23 not be counted.

24 h. Late ballots will not be counted. However, the Debtor, at its discretion, may  
25 agree to extend the Voting Deadline for one or more creditors.

26 i. For Ballots where the individual or entity casting the Ballot was not the holder  
27 of the scheduled or filed claim as of the Record Date of September 30, 2022 (and therefore  
28 not entitled to vote) will not be counted. This paragraph only applies to proofs of claim filed

1 on or before the Record Date of September 30, 2022.

2 j. If the Debtor served an objection to claim or equity interest at least ten (10)  
 3 days before the Voting Deadline, such claim or interest shall be temporarily disallowed for  
 4 voting purposes only and not for purposes of disallowance of distribution, except to the  
 5 extent and in the manner as the Bankruptcy Court may order pursuant to Rule 3018(a).

6 k. With respect to claims filed by members as administrative, priority and/or  
 7 secured claims, such claim(s) shall be treated as a general unsecured claim for voting  
 8 purposes. To the extent a member asserts a claim with multiple priorities, the aggregate  
 9 amount shall be treated as a general unsecured claim for voting purposes but in an amount no  
 10 larger than what said member paid for his or her membership and membership upgrades.

11 l. To the extent members file a proof of claim in response to the Rejection Bar  
 12 Date Notice and assert a claim based on promotional offers relating to member rewards  
 13 (versus the amount of money actually spent by the member at the Debtor’s business), the  
 14 Debtor is authorized (i) to file omnibus objections to such claims prior to the Confirmation  
 15 Hearing, and (ii) to submit an alternative Ballot Tally which reflects such members’ Ballot(s)  
 16 in an amount equal to what they have spent at the Debtor’s business for their membership  
 17 and membership upgrades.

18 19. Except for claimants / members subject to Paragraphs 10 or 18 (l) of this Order, any  
 19 claimant that seeks to challenge the allowance of its claim for voting purposes in accordance with  
 20 the Tabulation Rules must file a motion pursuant to Bankruptcy Rule 3018 on or before the tenth  
 21 (10<sup>th</sup>) calendar day after the later of: (i) service of the Confirmation Hearing Notice; and (ii) service  
 22 of notice of an objection to such claim or interest, if any. Such party’s Ballot shall not be counted  
 23 unless temporarily allowed by the Bankruptcy Court for voting purposes after notice and a hearing in  
 24 accordance with Rule 3018(a).

25 20. Deadlines. The following deadlines shall apply with respect to the Confirmation  
 26 Hearing:

Task	General Deadline	Deadlines
Last Date to Transmit Confirmation Hearing Notice and Solicitation Packages	28 Days Before Objections to Confirmation	October 7, 2022

Task	General Deadline	Deadlines
Deadline to File Objections to Plan Confirmation	14 Days Before Confirmation Hearing	November 4, 2022
Last Date for Creditors to Submit Ballots	14 Days Before Confirmation Hearing	November 4, 2022
Last Date for Debtor file Plan Supplement	10 Days Before Confirmation Hearing	November 8, 2022
Last Date for Debtor to File Confirmation Brief, Ballot Tally and Any Other Supporting Papers	7 Days Before Confirmation Hearing	November 11, 2022

21. Ballots. Subject to Paragraph 10 of this Order, parties who are entitled to vote must return their ballot to the Debtor’s noticing and claims agent, Stretto, by no later than 10:00 p.m. Pacific time on **November 4, 2022** by U.S. Mail, personal delivery, overnight mail or electronically to:

Front Sight Management LLC Ballot Processing  
 C/O Stretto  
 410 Exchange, Suite 100  
 Irvine, CA 92602  
<https://balloting.stretto.com/>

22. Objections. Any objections to confirmation of the Plan must be in writing and: (a) state the name and address of the objecting party and the nature of the claim or interest of such party; (b) state with particularity the basis and nature of any objection or proposed modification; (c) be filed, together with proof of service, with the Court at Foley Federal Building and U.S. Courthouse, 300 Las Vegas Blvd. South, Las Vegas, NV 89101; and (d) be served so as to be actually received no later than **November 4, 2022** on the following:

**Debtor (Service Must be by Overnight, U.S. Mail or Messenger)**

Front Sight Management LLC  
 1 Front Sight Road  
 Pahrump, NV 89061

**Counsel for the Debtor**

Susan K. Seflin  
 BG Law LLP  
 300 S. 4<sup>th</sup> Street, Suite 1550  
 Las Vegas, NV 89101  
 Fax: (866) 995-0215  
 Email: [sseflin@bg.law](mailto:sseflin@bg.law)

**Counsel for the New Equity Investor**

Samuel A. Schwartz  
 Schwartz Law, PLLC  
 601 East Bridger Avenue  
 Las Vegas, Nevada 89101  
 Fax: (702) 442-9887  
 Email: [saschwartz@nvfirm.com](mailto:saschwartz@nvfirm.com)

**Counsel for the Committee**

Robert LeHane  
Kelley Drye & Warren LLP  
3 World Trade Center  
175 Greenwich Street  
New York, NY 10007  
Fax: (212) 808-7897

Email: [rlehane@kelleydrye.com](mailto:rlehane@kelleydrye.com)

**Office of the United States Trustee**

Office of the U.S. Trustee  
300 Las Vegas Boulevard, So., Ste. 4300  
Las Vegas, NV 89101  
Email: [edward.m.mcdonald@usdoj.gov](mailto:edward.m.mcdonald@usdoj.gov)

23. Auction / Overbidding Procedures. With respect to the auction and overbidding procedures set forth in Section VIII of the Disclosure Statement, the following definitions and procedures apply:

a. Initial Bid Deadline. The Initial Bid Deadline is 4:00 p.m., Prevailing Pacific Time, on or before November 4, 2022, unless such date is extending in the sole discretion of the Debtor and Nevada PF, LLC, and in consultation with the Official Committee of Unsecured Creditors. Within 24 hours of the Initial Bid Deadline, the Debtor shall advise the Committee of any bids received.

b. Qualifying Bid. A bid received by the Debtor for the New Equity Interests shall constitute a “Qualifying Bid” if such bid includes the following, in form and substance reasonably satisfactory to the Debtor: (i) a fully executed definitive purchase agreement for the New Equity Interests which sets forth all material terms and conditions of the proposed acquisition including, without limitation, the New Equity Interests to be acquired, liabilities to be assumed and proposed consideration to be paid by the bidder, and such other terms as the bidder deems appropriate (the “Definitive Agreement”) in a minimum bid amount of **\$25,150,000**, (ii) evidence that the bidder has the necessary authorizations and approvals to engage in the transaction without the consent of any entity that has not already been obtained; (iii) a cashier’s check or wire transfer made payable to the Debtor in an amount equal **to \$5 million** (the “Deposit”) and (iv) evidence that the bidder can consummate the proposed transactions. Additionally, in order to constitute a “Qualifying Bid”, (i) the transaction proposed by the Definitive Agreement may not be conditioned on the outcome of

1 unperformed due diligence and (ii) the Definitive Agreement must describe the bidder's  
2 intention with respect to Executory Contracts and/or Unexpired Leases of the Debtor in order  
3 for the assumption, assignment and/or rejection of such Executory Contracts and Unexpired  
4 Leases to be timely effectuated under the Plan. Finally, in order to be deemed a "Qualifying  
5 Bid" the Definitive Agreement must be accompanied by a letter affirmatively: (i) setting  
6 forth a full disclosure of the identity of the bidder (and any other person(s) subject to any  
7 agreement, arrangement or understanding with such bidder in connection with the bid), the  
8 contact information for such bidder and full disclosure of any affiliates or insiders of the  
9 Debtor involved in such bid; (ii) stating that the bidder is prepared to purchase the business  
10 operations and New Equity Interests upon the terms and conditions set forth its Definitive  
11 Agreement; (iii) summarizing the consideration proposed under the Definitive Agreement  
12 (i.e., cash and assumed liabilities); (iv) stating the aggregate value of the proposed  
13 consideration (which statement of value shall not be binding on the Debtor or the Bankruptcy  
14 Court, but which must be a minimum of \$25,150,000); and (v) stating the form of Deposit  
15 (i.e., cashier's check or cash) made by the bidder.

16 c. Within two (2) Business Days of each bidder's timely delivery of all required  
17 materials as detailed in the preceding paragraph, the Debtor shall notify each bidder, in  
18 writing, as to whether its bid has been deemed a Qualified Bid in accordance with bidding  
19 requirements listed herein. Each bidder who submits a Qualified Bid shall be deemed a  
20 "Qualified Bidder". As indicated above, Nevada PF's initial bid consists of the New Value  
21 Contribution – which includes the benefits offered to existing members as set forth in  
22 **Exhibit B** to the Disclosure Statement.

23 d. In the event one or more Qualified Bids are received, the Confirmation  
24 Hearing shall also serve as an auction (the "Auction"), whereby Qualified Bidders may  
25 submit subsequent bids for the New Equity Interests, provided (i) that the initial bid at the  
26  
27  
28

1 Auction must exceed Nevada PF's bid by at least \$375,000.00,<sup>2</sup> - for a minimum initial bid  
2 amount of **\$25,150,000** (ii) each subsequent bid at the Auction must exceed the previous bid  
3 by at least **\$50,000.00** (the "Bidding Increment"), and (iii) any Qualified Bidder which  
4 submits a subsequent bid at the Confirmation Hearing in excess of its Qualifying Bid must  
5 provide evidence that it has the financial capability to purchase the New Equity Interests at  
6 the new, higher purchase price as set forth in its subsequent bid. At the conclusion of the  
7 Auction, the Bankruptcy Court (i) shall determine which bid constitutes the highest and best  
8 offer and which bidder constitutes the winning bidder (respectively, the "Winning Bid" and  
9 the "Winning Bidder") and (ii) approve the Winning Bid at the Confirmation Hearing.

10 e. Promptly after the entry by the Bankruptcy Court of its order approving the  
11 Winning Bidder as the party that will be issued the New Equity Interests on the Effective  
12 Date, which may be the Confirmation Order, the Deposits submitted by all Qualified Bidders  
13 (other than the bid of the Winning Bidder(s)) shall be returned to the respective Qualified  
14 Bidders. The Deposit(s) of the Winning Bidder(s) shall be applied to the Cash portion of the  
15 purchase price set forth in the Winning Bidder's Definitive Agreement, as may be modified  
16 by the Winning Bid. If a Winning Bidder fails to consummate the purchase contemplated  
17 under its Definitive Agreement, as may be modified by the Winning Bid, and (i) such failure  
18 is the result of the Winning Bidder's breach of its Definitive Agreement and (ii) the Debtor  
19 has met all closing conditions of the Winning Bidder's Definitive Agreement, the Deposit of  
20 such Winning Bidder shall be forfeited to the Debtor. Notwithstanding this forfeiture, the  
21 Debtor specifically reserves the right to seek all available damages from any defaulting  
22 Winning Bidder.

23 24. Procedures for Presentation of Evidence. Each party in interest offering evidence at  
24 the Confirmation Hearing may present testimony of its witnesses through declarations under penalty  
25 of perjury and admissible under the Federal Rules of Evidence.

26  
27 <sup>2</sup> The \$375,000 initial overbid consists of: (a) a \$100,000 break-up fee to Nevada PF; (b) estimated  
28 expenses of Nevada PF related to the overbid process of approximately \$50,000; and (c) the  
\$125,000 estimated costs of soliciting the Debtor's approximately 80,000 members (which Nevada  
PF agreed to pay in response to various objections to the Disclosure Statement).

1           25.    Non-Substantive Changes. The Debtor has authority to make non-substantive  
2 changes to the Disclosure Statement and Plan without further order of the Court including, but not  
3 limited to, changes relating to: (i) correcting typos; (ii) correcting grammatical errors; (iii) inserting  
4 dates and deadlines; (iv) clarifying or correcting factual information (including updating the claim  
5 chart attached as an exhibit to the Disclosure Statement to add new or amended claims, or to clarify  
6 the Debtor’s status with respect to objecting to claims or interests).

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

9           27.    The Bankruptcy Court retains exclusive jurisdiction to hear and determine all matters  
10 arising from or related to the implementation, interpretation and/or enforcement of this Order.

11           **IT IS SO ORDERED.**

12           **[Remainder of Page Intentionally Blank]**

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



Prepared and Submitted By:  
1 BG LAW LLP

Approved:  
SCHWARTZ LAW, PLLC

2  
3 By: /s/ Susan K. Seflin  
4 Susan K. Seflin  
5 Attorneys for Chapter 11 Debtor  
and Plan Proponent

By: \_\_\_\_\_  
Samuel A. Schwartz  
Attorneys for FS DIP, LLC and  
Nevada PF, LLC

6  
7 Approved:  
8 KELLEY DRYE & WARREN LLP

Approved:  
TRACY HOPE DAVIS  
UNITED STATES TRUSTEE

9  
10 By: /s/ \_\_\_\_\_  
11 Robert L. LeHane  
12 Attorneys for the Official Committee of  
Unsecured Creditors

By: \_\_\_\_\_  
Edward M. McDonald Jr., Esq.  
United States Department of Justice  
Attorney for the United States Trustee

13  
14 Approved:  
15 LAW OFFICE OF BRIAN D. SHAPIRO

Approved:  
WINTHROP GOLUBOW HOLLANDER

16  
17 By: \_\_\_\_\_  
18 Brian D. Shapiro  
19 Counsel for Las Vegas Development Fund,  
LLC

By: \_\_\_\_\_  
Matthew J. Stockl  
Attorneys for Michael Meacher dba  
Bankgroup Financial Services

20 Approved:  
21 GARMAN TURNER GORDON LLP

22  
23 By: \_\_\_\_\_  
24 Gregory E. Garman  
25 Attorneys for Ignatius Piazza

**LR 9021 CERTIFICATION**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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 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.

###