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and Plan Proponent

8
9 **UNITED STATES BANKRUPTCY COURT**
10 **FOR THE DISTRICT OF NEVADA**

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

Case No. 22-11824-abl

Chapter 11

**Plan Objection Deadline: 10:00 p.m. PDT on
November 4, 2022**

**Ballot Deadline: 10:00 p.m. PDT on November
4, 2022**

Plan Confirmation Hearing:

Hearing Date: November 18, 2022

Hearing Time: 9:30 a.m.

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23 **SECOND AMENDED DISCLOSURE STATEMENT DESCRIBING DEBTOR'S**
24 **SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION**
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1 **Front Sight Management LLC (the “Debtor”) is the proponent of this amended disclosure
2 statement and accompanying amended chapter 11 plan of reorganization. The Debtor reserves the
3 right to make further amendments and modifications.

4 **THE DEBTOR HAS NOT AUTHORIZED ANY ENTITY TO GIVE ANY**
5 **INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH**
6 **IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTOR HAS NOT**
7 **AUTHORIZED ANY REPRESENTATION CONCERNING THE DEBTOR, THE VALUE**
8 **OF ITS PROPERTY OR THE TREATMENT OF CLAIMS OTHER THAN AS SET FORTH**
9 **IN THIS DISCLOSURE STATEMENT.**

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I. INTRODUCTION

1
2 Front Sight Management LLC (the “Debtor” or “Front Sight”) is the chapter 11 debtor in
3 possession in the above-captioned chapter 11 bankruptcy case. On May 24, 2022, the Debtor
4 commenced its bankruptcy case by filing a voluntary petition under chapter 11 of the United States
5 Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (“Bankruptcy Code”). This case is pending before the
6 Honorable August B. Landis, Chief United States Bankruptcy Judge for the District of Nevada (the
7 “Court” or “Bankruptcy Court”). This document is the Debtor’s second amended disclosure
8 statement (as may be further amended or modified, the “Disclosure Statement”) which describes
9 Debtor’s *Second Amended Plan of Reorganization* (as may be further amended or modified, the
10 “Plan”).

11 Chapter 11 allows the Debtor, and, under some circumstances, creditors and other parties in
12 interest, to propose a plan of reorganization. A plan may provide for a debtor to reorganize by
13 continuing to operate, to liquidate by selling the assets of its estate, or a combination of both. The
14 Debtor is the party proposing the Plan.

THIS DOCUMENT IS THE DISCLOSURE STATEMENT FOR THE DEBTOR’S CHAPTER 11 PLAN.

15
16
17 The effective date (“Effective Date”) of the plan will be the second business day after entry
18 of the order confirming the Plan (the “Confirmation Order”), provided the Bankruptcy Court has
19 waived the provisions of Rule 3020(e) of the Federal Rules of Bankruptcy Procedure (the
20 “Bankruptcy Rules”) and no stay of the Confirmation Order is in effect.¹ The Debtor following the
21 Effective Date is referred to herein as the “Reorganized Debtor.”

22 The Plan described in this Disclosure Statement is a reorganizing plan. The Plan described in
23 this Disclosure Statement provides for the Debtor’s emergence from its chapter 11 bankruptcy as the
24 “Reorganized Debtor”, which the Debtor anticipates will occur in November 2022. Under the Plan,
25

26 ¹ If the Bankruptcy Court does not waive the provisions of Bankruptcy Rule 3020(e), then the
27 Effective Date will be the second business day which is at least fifteen (15) days following the date
28 of entry of the Confirmation Order, assuming there has been no appeal from and order staying the
effectiveness of the Confirmation Order. If there has been an order entered staying the effectiveness
of the Plan Confirmation Order, the Effective Date shall be the second business day after the stay is
no longer in effect with respect to the Confirmation Order.

1 the Debtor will satisfy its debt and other claims as set forth in Article IV below and implement a
2 recapitalization with approximately \$24.775 million of new capital. The Plan described below has
3 been designed to position the Reorganized Debtor to succeed following bankruptcy.

4 After confirmation of the Plan, the Reorganized Debtor will continue operating its business
5 as a world class firearms training center located in Nye County, Nevada. Through its chapter 11
6 reorganization and the Plan, the Debtor is terminating all of its existing memberships and offering
7 new memberships as set forth in more detail in **Exhibit B** hereto.

8 There are five primary groups of creditor claims in this case consisting of: (i) priority tax
9 and employee claims; (ii) the claims of the Debtor's pre-petition secured creditors (i.e., creditors
10 who assert a lien against certain of the Debtor's assets as collateral for their claims);² (iii) the claim
11 of the Debtor's post-petition lender who holds a first priority lien in substantially all of the Debtor's
12 assets; and (iv) the claims of the Debtor's non-priority general unsecured creditors.

13 The following is a summary of the Plan:

14 1. Recapitalization: The Plan provides for a recapitalization as follow: in exchange for
15 100% of the new equity interests to be issued on the Effective Date, Nevada PF, LLC (the "New
16 Equity Investor"), an affiliate of the Debtor's post-petition lender FS DIP, LLC ("FS DIP"), or a
17 designee of Nevada PF will (a) contribute \$19.575 million in cash to fund the Plan, and (b) cause FS
18 DIP's approximately \$5.2 million secured claim to be contributed to the estate as partial
19 consideration for the new equity interests, for total consideration of at least \$24.775 million (the
20 "New Value Contribution").³ Under the Plan, the Debtor will satisfy its debt and other claims as set
21 forth in Article IV below. The \$19.575 million cash contribution ("Cash Contribution") will be
22 used to, among other things, fund certain Plan payments on or around the Effective Date, provide
23 reserves for certain disputed claims and provide the Reorganized Debtor with sufficient working
24 capital.

25 _____
26 ² The Debtor does not intend, nor should any provision of either the Plan or Disclosure Statement be
27 construed, as an admission of any kind as to the nature, extent, or priority of any purported lien(s),
28 encumbrance(s), or charge(s) of any kind, nature, or extent against the Debtor's assets or property.

³ The New Equity Investor will cause FS DIP's secured claim to be contributed in the amount of the
DIP Financing (inclusive of all interest and fees) as of the Effective Date, which may affect the total
amount of the New Equity Investor's New Value Contribution.

2. The Plan segregates Claims⁴ into Classes and treats them as summarized immediately below, which summaries are subject to the provisions specified in Article IV below and in Article III of the Plan. The following is a summary of the Plan:

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
N/A	Administrative Claims (Professional Fees)	Approximately \$500,000 ⁵	Full payment, subject to Bankruptcy Court approval as may be required, except as otherwise agreed by such Professionals. To the extent there is any surplus, such surplus shall be paid to the Class 6 reserve account.
N/A	Administrative Claims (Incurred in the Ordinary Course of Business)	Estimated at \$75,000 to \$500,000	Allowed Administrative Claims representing post-Petition Date liabilities incurred by the Debtor in the ordinary course of business, for which no approval by the Bankruptcy Court is required, shall be paid in full in accordance with the terms and conditions of the particular transaction giving rise to such liabilities and any agreements relating thereto.
N/A	Priority Tax Claims	\$100,000	If there are any Allowed Priority Tax Claims on the Effective Date, full payment consistent with Bankruptcy Code section 1129(a)(9)(C).
N/A	The secured claim of post-petition lender FS DIP LLC ("FS DIP") Collateral Description: 1 st Priority Lien on substantially all assets of the Debtor[as set forth in ECF No. 288].	Approximately \$5.2 million	The FS DIP Secured Claim will be paid in full on the Effective Date or contributed to the estate as part of the New Value Contribution as further provided in, or contemplated by, the Plan, Disclosure Statement and otherwise applicable DIP loan documents.
1	Secured claim of Las Vegas Development Fund, LLC ("LVDF") Collateral Description:	Filed Claim: \$11,655,706.01 with interest, costs and attorneys' fees accruing. [Pursuant to Proof of Claim No. 284-1]	The Debtor filed an objection to Proof of Claim No. 284-1 filed by LVDF [ECF No. 393]. The hearing on the Debtor's objection is scheduled at the same date and time as the Confirmation Hearing.

⁴ Any capitalized term not yet defined will be defined in Article II of this Disclosure Statement.

⁵ This amount does not include the \$2 million carve-out for professionals provided for in the Final DIP Order or approximately \$700,000 from the Debtor's DIP Financing budget that is allocated to pay professional fees. Currently there is a discrepancy between the projected/estimated amount of Professional Fee Claims and the amount available under the Plan for Professional Fee Claims.

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
	<p data-bbox="380 212 646 338">Real property located at 1 Front Sight Road, Pahrump, NV 89061 ("Front Sight Property")</p> <p data-bbox="380 369 574 432">Interest rate: Non-Default – 6%</p> <p data-bbox="380 464 558 527">Maturity Date – October 4, 2021</p> <p data-bbox="380 558 646 653">*Debtor has a pending action against LVDF and affiliates</p>	<p data-bbox="665 212 1052 275">Debtor's Estimate of Claim for Plan Treatment Purposes:</p> <p data-bbox="665 275 1052 401">\$6.7 million [Calculated at \$6,375,000 plus unpaid non default interest with no attorneys' fees, penalties or default interest].</p> <p data-bbox="665 401 1052 495">The Debtor filed its objection to LVDF's claim on September 29, 2022 [ECF No. 393]</p>	<p data-bbox="1071 212 1487 243">This claim is Contingent and Disputed.</p> <p data-bbox="1071 264 1201 296"><u>Treatment:</u></p> <p data-bbox="1071 306 1520 653">Pending resolution of the Debtor's objection to LVDF's claim and the Debtor's affirmative claims against LVDF and prior to the Effective Date, \$11,805,706.01 of the Cash Contribution shall be placed into a reserve account maintained by Stretto for LVDF's allowed claim. If LVDF's allowed claim is less than the reserve amount, any surplus shall revert to the Reorganized Debtor.</p> <p data-bbox="1071 674 1520 863">Until resolution of LVDF's disputed claim, and commencing January 2023, monthly interest shall accrue at the non-default rate of 6% set forth in the underlying loan documents on an estimated claim amount of \$6.7 million.</p> <p data-bbox="1071 884 1520 1104">Upon resolution of the Debtor's objection to LVDF's claim and its affirmative claims against LVDF, LVDF shall be paid the balance of its allowed secured claim, if any, in full within five (5) business days of a final order allowing such claim.</p> <p data-bbox="1071 1125 1520 1272"><u>Lien:</u> To the same extent and validity of its existing lien, LVDF shall have a first priority lien against the \$11,805,706.01 in the reserve account until any allowed claim is paid from the reserve.</p> <p data-bbox="1071 1293 1520 1388"><u>Collateral:</u> LVDF's collateral shall solely be the \$11,805,706.01 in the reserve account.</p> <p data-bbox="1071 1409 1520 1503"><u>EB5 Related Obligations:</u> The Reorganized Debtor shall have no EB5 Related Obligations.</p> <p data-bbox="1071 1524 1520 1671">Such treatment shall be in full and complete satisfaction of the Class 1 claim. The Debtor shall have no other obligations under the requisite loan agreements or deed of trust.</p> <p data-bbox="1071 1692 1520 1787">Impaired; Entitled to Vote subject to the Court's order approving the Disclosure Statement.</p>

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
2	<p>Secured claim of Michael Meacher dba Bankgroup Financial Services ("Meacher")</p> <p>Collateral Description: Certain of the Debtor's firearms</p> <p>Value of Collateral: Approximately \$214,569 book value of collateral set forth in the Bankgroup UCC financing statement filed March 22, 2021.</p>	<p>Filed Claim: \$3.3 million secured claim [Proof of Claim No. 235-1]</p> <p>Former insider.</p>	<p>This claim is Contingent and Disputed. The Debtor intends to file a complaint seeking avoidance of this purported lien, which includes an objection to this claim and a fraudulent transfer claim.</p> <p>Treatment:</p> <p>Pending resolution of the Debtor's complaint against Meacher and prior to the Effective Date, \$3.3 million of the Cash Contribution shall be placed into a reserve account maintained by Stretto for purposes of satisfying any allowed claim held by Meacher (again, if any). If any allowed claim is less than the reserve amount of \$3.3 million, any surplus shall revert to the Reorganized Debtor.</p> <p>Upon resolution of the aforementioned complaint, if the Class 2 claimant has an allowed secured claim, such claim shall be paid in full. Lien: To the same extent and validity of its existing lien against the Debtor's guns, if any, Meacher shall have a first priority lien against the \$3.3 million in the reserve account until any allowed claim is paid from the reserve. I.e., Meacher will have a lien in the Cash in the reserve account equal to the fair market value of the Debtor's guns.</p> <p>To the extent that Meacher has a lien against guns owned by Ignatius Piazza, such lien shall not be affected by the Plan.</p> <p>Collateral: The \$3.3 million in the reserve account but only to the same extent and validity of Meacher's interest in the Debtor's guns (again, if any).</p> <p>Impaired; Entitled to Vote</p>
3	<p>M2 EPC</p> <p>Mechanics Lien</p>	<p>\$110,000 secured claim as of the Petition Date.</p>	<p>The Class 3 claim will be paid in monthly installments of \$10,000 commencing February 1, 2023 until paid in full.</p> <p>Payment start date – February 1, 2023</p> <p>Payment end date – December 1, 2023</p> <p>Impaired; Entitled to Vote</p>

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
4	Top Rank Builders / Morales Construction Mechanics Lien	\$15,000 secured claim as of the Petition Date.	The Class 4 claim will be paid in three monthly installments of \$5,000. Payment start date – February 1, 2023 Payment end date – April 1, 2023 Impaired; Entitled to Vote
5	Employee Wage Claim	\$8,758.99	Paid in full within 10 business days of the Effective Date. Not Impaired; Not Entitled to Vote
6	General Unsecured Claims	Estimated at approximately \$10 million to \$30 million. (This number is subject to change as follows: (a) the resolution of objections to Disputed Claims; and (b) the amount of rejection damages claims asserted by members.) [This estimation does not include any insider claims as the Debtor's insiders have agreed to subordinate all of their claims to those of General Unsecured Creditors and have agreed that their claims will not receive any distribution(s) under, and will be permanently discharged by the Confirmation Order.]	The Debtor disputes the validity of many of the claims asserted by members and intends on objecting to such claims. Treatment: Prior to the Effective Date, \$3 million of the Cash Contribution shall be placed into a reserve account maintained by Stretto for allowed general unsecured claims. Any fees relating to objections to Class 6 claims after the Effective Date will be paid from this reserve. Upon resolution of all objections to claims, holders of Class 6 allowed claims shall receive their pro rata share of the reserve amount. Impaired; Entitled to Vote
7	Equity Interests of Ignatius Piazza (1% Voting), VNV Dynasty Trust – FS I (49.5% Non-Voting) and VNV Dynasty Trust – FS II (49.5% Non-Voting)	The Debtor's current equity holders who collectively own 100% of the Debtor.	Treatment: Current equity holders will not retain any equity under the Plan. Impaired. Presumed not to accept the Plan.

A. Purpose of this Disclosure Statement.

This Disclosure Statement summarizes what is in the Plan, and tells you certain information relating to the Plan and the process the Bankruptcy Court follows in determining whether or not to confirm the Plan.

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT:

(1) WHO CAN VOTE OR OBJECT,

1 **(2) WHAT THE TREATMENT OF YOUR CLAIM IS (i.e., what, if anything, your**
2 **Claim will receive if the Plan is confirmed) AND HOW THIS TREATMENT COMPARES TO**
3 **WHAT YOUR CLAIM WOULD LIKELY RECEIVE IN A HYPOTHETICAL CHAPTER 7**
4 **LIQUIDATION,**

5 **(3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING**
6 **ITS BANKRUPTCY CASE,**

7 **(4) WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER**
8 **OR NOT TO CONFIRM THE PLAN,**

9 **(5) WHAT IS THE EFFECT OF CONFIRMATION, AND**

10 **(6) WHETHER THE PLAN IS FEASIBLE.**

11 This Disclosure Statement cannot tell you everything about your rights. The Debtor’s
12 counsel cannot tell you about your rights or offer any advice – especially legal advice. You are
13 strongly encouraged to consult your own lawyer to obtain advice on how the Plan will affect you and
14 what is the best course of action for you. This Disclosure Statement may not be relied on for any
15 purpose other than providing you with adequate information, as required by the Bankruptcy Code, to
16 assist you in determining whether to vote to accept or reject the Plan.

17 Be sure to read the Plan as well as this Disclosure Statement. If there are any inconsistencies
18 between the Plan and this Disclosure Statement, the Plan provisions will govern.

19 The Bankruptcy Code requires a Disclosure Statement to contain “adequate information”
20 concerning the Plan. The Bankruptcy Court has approved this document as an adequate Disclosure
21 Statement, containing enough information to enable parties affected by the Plan to make an informed
22 judgment about the Plan. Any party can now solicit votes for or against the Plan.

23 **THE DEBTOR HAS NOT AUTHORIZED ANY ENTITY TO GIVE ANY**
24 **INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH**
25 **IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTOR HAS NOT**
26 **AUTHORIZED ANY REPRESENTATION CONCERNING THE DEBTOR, THE VALUE**
27 **OF ITS PROPERTY OR THE TERMS OF ITS ONGOING MEMBERSHIP AGREEMENTS**
28 **OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.**

1 **B. Purpose and Effect of the Plan.**

2 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under
3 chapter 11, a debtor is authorized to reorganize its business for the benefit of its creditors and
4 shareholders. If reorganization is not feasible, chapter 11 allows a debtor to formulate and
5 consummate a plan of liquidation, which sets forth the process for the orderly satisfaction of claims
6 against and interests in a debtor pursuant to the priority rules of the Bankruptcy Code.

7 Confirmation of a plan of reorganization by a bankruptcy court makes the plan binding upon
8 the debtor and any creditor of or interest holder in a debtor, whether or not such creditor or interest
9 holder (i) is impaired (i.e., will receive less than 100% of its allowed claim) under the plan, (ii) has
10 accepted the plan, or (iii) receives or retains any property under the plan.

11 In this chapter 11 Case, the Plan provides for the Debtor to emerge from bankruptcy and for
12 the distribution of certain funds to various holders of Allowed Claims as set forth under the Plan, and
13 for the pursuit of certain claims and Causes of Action. Under the Plan, Claims against, and Equity
14 Interests in, the Debtor are divided into Classes according to their relative seniority and other criteria
15 as required under the Bankruptcy Code. If the Plan is confirmed by the Bankruptcy Court and
16 ultimately consummated, the Claims and Equity Interests of the various Classes will be treated in
17 accordance with the provisions in the Plan established for each Class.

18 A summary of the Classes of Claims and Equity Interests, as well as their treatment under the
19 Plan, is set forth above. A more detailed description of the Classes of Claims against the Debtor
20 created under the Plan, the treatment of those Classes under the Plan and the property to be
21 distributed under the Plan is described in Section IV below and in Section III of the Plan.

22 **C. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing.**

23 THE BANKRUPTCY COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED
24 IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE
25 NOT YET BINDING ON ANYONE. HOWEVER, IF THE BANKRUPTCY COURT LATER
26 CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON ALL CREDITORS,
27 INTEREST HOLDERS AND PARTIES IN INTEREST IN THIS CASE.

28

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. 4th Street, Suite 1550
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Fax: (866) 995-0215
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Counsel for the New Equity Investor

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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

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

D. Identity of Persons to Contact for More Information Regarding the Plan.

Any interested party desiring further information about the Plan should contact Susan K. Seflin, Esq., of BG Law LLP, 300 S. 4th Street, Suite 1550, Las Vegas, Nevada 89101, Phone: (702) 835-0800, Email: sseflin@bg.law. Any request(s) for legal advice with respect to the Plan, however, should be directed to your own counsel.

E. Disclaimer.

The financial data relied upon in formulating the Plan is based on the Debtor's books and records which, unless otherwise indicated, are unaudited. Except as expressly stated, the information contained in this Disclosure Statement is provided by the Debtor. The Debtor represents

1 that everything stated in this Disclosure Statement is true to the best of the Debtor's knowledge. The
2 Bankruptcy Court has not yet determined whether the Plan is confirmable and makes no
3 representation as to whether you should support or oppose confirmation of the Plan.

4 The contents of the Disclosure Statement should not be construed as legal, business or tax
5 advice from the Debtor or its counsel.

6 **THIS DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A**
7 **CAREFUL AND DETAILED REVIEW OF THE PLAN BY EACH HOLDER OF A CLAIM**
8 **OR INTEREST. THIS DISCLOSURE STATEMENT IS INTENDED TO AID AND**
9 **SUPPLEMENT SUCH REVIEW. THIS DISCLOSURE STATEMENT IS QUALIFIED IN**
10 **ITS ENTIRETY BY REFERENCE TO THE PLAN. THE PLAN IS THE OPERATIVE**
11 **CONTROLLING LEGAL DOCUMENT. AS SUCH, IF THERE IS ANY INCONSISTENCY**
12 **BETWEEN THE TERMS AND PROVISIONS OF THIS DISCLOSURE STATEMENT AND**
13 **THE PLAN, THEN THE TERMS AND PROVISIONS OF THE PLAN SHALL CONTROL.**
14 **NEITHER THE PLAN, NOR THE DISCLOSURE STATEMENT, SHOULD BE**
15 **CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE FROM THE DEBTOR OR ITS**
16 **COUNSEL.**

17 **BG LAW LLP COMMENCED REPRESENTATION AS GENERAL**
18 **RESTRUCTURING COUNSEL TO THE DEBTOR IN APRIL OF 2022 AND HAS RELIED**
19 **UPON INFORMATION DEVELOPED SINCE THEN IN CONNECTION WITH THE**
20 **PREPARATION OF THIS DISCLOSURE STATEMENT. PROVINCE, LLC WAS**
21 **RETAINED AS FINANCIAL ADVISOR FOR THE COMPANY IN APRIL OF 2022 AND**
22 **HAS RELIED UPON INFORMATION RECEIVED FROM THE DEBTOR TO PREPARE**
23 **THE LIQUIDATION ANALYSIS AND FINANCIAL PROJECTIONS ATTACHED AS**
24 **EXHIBITS.**

25 **F. Forward-Looking Statements.**

26 CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE
27 STATEMENT IS BY ITS NATURE FORWARD LOOKING AND CONTAINS ESTIMATES
28 AND ASSUMPTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL,

1 FUTURE RESULTS. Except as otherwise specifically and expressly stated herein, this Disclosure
2 Statement does not reflect any events that may occur subsequent to the date hereof and that may
3 have a material impact on the information contained in this Disclosure Statement. The Debtor does
4 not anticipate that any amendments or supplements to this Disclosure Statement will be distributed
5 to reflect such occurrences. Accordingly, the filing of this Disclosure Statement shall not under any
6 circumstance imply that the information herein is correct or complete as of any time *subsequent to*
7 the date hereof.

8 THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED
9 BY A CERTIFIED PUBLIC ACCOUNTING FIRM AND HAS NOT BEEN PREPARED IN
10 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

11 II. DEFINITIONS AND EXHIBITS

12 A. Definitions.

13 For the purposes of this Disclosure Statement, except as expressly provided or unless the
14 context otherwise requires, all capitalized terms not otherwise defined shall have the meanings
15 ascribed to them in this Article II. Any term used in this Disclosure Statement that is not defined
16 herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning(s)
17 ascribed to such terms in the Bankruptcy Code or the Bankruptcy Rules, in that order or priority.
18 Throughout this Disclosure Statement, the use of the masculine, feminine, neuter, plural or singular
19 shall be understood to include each of the others as the context may reasonably dictate. As used in
20 this Disclosure Statement, the following definitions shall apply:

21 1. **Administrative Claim.** A Claim for costs and expenses of administration
22 allowed under Section 503(b) of the Bankruptcy Code and referred to in Section 507(a)(2) of the
23 Bankruptcy Code including, without limitation: (a) the actual and necessary costs and expenses
24 incurred after the Petition Date of preserving the Estate and operating the business of the Debtor
25 (such as wages, salaries or commissions for services); (b) compensation for legal, financial advisory,
26 accounting and other services, and reimbursement of expenses awarded or allowed under Sections
27 330(a) or 331 of the Bankruptcy Code; and (c) all fees and charges assessed against the Estate under
28 28 U.S.C. § 1930.

1 2. **Administrative Claims Bar Date.** The date which is thirty (30) days after
2 the Effective Date.

3 3. **Allowed Administrative Claim.** An Administrative Claim which is an
4 Allowed Claim.

5 4. **Allowed Claim.** A Claim against the Debtor and/or the Estate as to which no
6 objection has been filed, or if an objection has been filed, has either been overruled or otherwise
7 resolved by the allowance of such Claim by the Bankruptcy Court, if the Claim was: (1) scheduled in
8 the list of creditors prepared and filed with the Bankruptcy Court by the Debtor and not listed as
9 disputed, contingent or unliquidated as to amount; or (2) the subject of a timely filed proof of claim;
10 or (3) which has been allowed by order of the Bankruptcy Court.

11 5. **Allowed Priority Claim.** A Priority Claim which is an Allowed Claim.

12 6. **Allowed Priority Tax Claim.** A Priority Tax Claim which is an Allowed
13 Claim.

14 7. **Allowed Professional Fees.** The amount of fees and costs incurred by
15 Professionals engaged by the Debtor or the Committee in connection with the Case which are (1)
16 timely requested by application filed on or prior to the Administrative Claims Bar Date; and (2)
17 which are allowed by order of the Bankruptcy Court.

18 8. **Allowed Secured Claim.** A Secured Claim which is an Allowed Claim.

19 9. **Allowed General Unsecured Claim.** A General Unsecured Claim which is
20 an Allowed Claim.

21 10. **Assets.** All tangible and intangible assets of every kind and nature of the
22 Debtor and its Estate, and all proceeds thereof, wherever located, as of the Effective Date.

23 11. **Avoidance Actions.** Causes of Action arising under Bankruptcy Code
24 sections 510, 541, 542, 544, 545, 547 through 551 and/or 553, or under related state or federal
25 statutes and common law including, without limitation, fraudulent transfer laws, whether or not
26 litigation is commenced to prosecute such Causes of Action.

27 12. **Ballot.** The form of ballot or ballots that will be distributed electronically
28 with the Disclosure Statement to holders of Claims entitled to vote under the Plan in connection with

1 the solicitation of votes to accept or to reject the Plan.

2 **13. Bankruptcy Code.** Title 11 of the United States Code (11 U.S.C. §§ 101 *et*
3 *seq.*), as now in effect or hereafter amended. All citations in the Disclosure Statement or in the Plan
4 to section numbers are to the Bankruptcy Code unless otherwise expressly indicated.

5 **14. Bankruptcy Court.** The United States Bankruptcy Court for the District of
6 Nevada, or such other federal court with competent jurisdiction over the Case.

7
8 **15. Bankruptcy Rules.** Federal Rules of Bankruptcy Procedure, as now in effect
9 or hereafter amended.

10 **16. Bar Date.** August 8, 2022, for non-governmental creditors; and October 8,
11 2022, for governmental units.

12 **17. Business Day.** Any day, other than a Saturday, Sunday or legal holiday as
13 defined in Bankruptcy Rule 9006(a).

14 **18. Case.** This Chapter 11 bankruptcy case, filed by the Debtor, pending in the
15 Bankruptcy Court as Case No. 22-11824-abl.

16 **19. Cash.** Currency, checks, negotiable instruments and wire transfers of
17 immediately available funds.

18 **20. Cash Contribution.** The \$19.575 million in Cash contributed by the New
19 Equity Investor under its New Value Contribution.

20 **21. Causes of Action.** Any and all causes of action, Avoidance Actions, suits,
21 rights of action, rights to legal remedies, rights to equitable remedies, rights to payment of any
22 amounts owing to the Debtor or the Estate for any reason whatsoever, whether known, unknown,
23 reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured,
24 unmatured, disputed, undisputed, secured or unsecured, and whether asserted or assertable directly
25 or derivatively, in law, equity or otherwise, that the Debtor and/or Estate may hold against any
26 Person but excluding those Persons who are released or exculpated, or against whom claims were
27 waived, pursuant to the Plan.

28

1 **22. Claim.** Any right to payment, whether or not such right is reduced to
2 judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed,
3 legal, equitable, secured or unsecured, against the Debtor and/or the Estate, and any right to any
4 legal or equitable remedy for breach of any obligation giving rise to a right to payment, whether or
5 not such right is an equitable remedy or is reduced to judgment, liquidated, unliquidated, fixed,
6 contingent, matured, unmatured, disputed, undisputed, secured or unsecured, against the Debtor
7 and/or the Estate.

8 **23. Claimant.** A Person who holds a Claim.

9 **24. Claim Chart.** Exhibit A to the Disclosure Statement which lists all Claims
10 filed against the Debtor as of the date reflected therein.

11 **25. Claims Objection Deadline.** One hundred eighty (180) days following the
12 Effective Date, which date may be extended by the Bankruptcy Court upon motion of any party in
13 interest for cause.

14 **26. Class.** A category of Claims which are substantially similar to each other and
15 into which Allowed Claims are grouped and classified pursuant to the Plan, unless a member of the
16 Class has agreed to a subordinated treatment. The Classes provided for in the Plan are summarized
17 in Article IV of the Disclosure Statement and Article III of the Plan.

18 **27. Committee.** The Official Committee of Unsecured Creditors appointed by
19 the OUST on June 9, 2022, pursuant to § 1102 of the Bankruptcy Code.

20 **28. Confirmation.** The entry of the Confirmation Order on the docket of the
21 Bankruptcy Court.

22 **29. Confirmation Date.** The date upon which the Confirmation occurs.

23 **30. Confirmation Hearing.** The hearing or hearings held by the Bankruptcy
24 Court to consider and rule upon the Debtor's request for confirmation of the Plan.

25 **31. Confirmation Order.** The order entered by the Bankruptcy Court confirming
26 the Plan.

27 **32. Creditor.** A Person asserting a Claim; *aka* a Claimant.
28

1 **33. Cure Claim.** A claim based upon the Debtor’s default on an Executory
2 Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtor under
3 sections 365 or 1123 of the Bankruptcy Code.

4 **34. Debtor.** Front Sight Management LLC is the chapter 11 debtor in the Case.

5 **35. DIP Financing.** The post-petition credit facility of up to \$5 million extended
6 by FS DIP to the Debtor and approved by the Bankruptcy Court by the Final DIP Order, estimated to
7 be approximately \$5.2 million as of the Effective Date including interest and fees.

8 **36. Disallowed.** With respect to a Claim, or any portion thereof, that (a) has been
9 disallowed by a Final Order, (b) is Scheduled at zero, or as contingent, disputed or unliquidated and
10 as to which no Proof of Claim has been filed by the applicable Bar Date or deemed timely filed
11 pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (c) is not
12 Scheduled, and as to which (i) no Proof of Claim has been filed by the applicable Bar Date or
13 deemed timely filed pursuant to either the Bankruptcy Code or any Final Order or under applicable
14 law, or (ii) no request for payment of an Administrative Claim has been filed by the Administrative
15 Claims Bar Date, as appropriate, or deemed timely filed pursuant to either the Bankruptcy Code or
16 any Final Order or under applicable law.

17 **37. Disbursing Agent.** Stretto, the Debtor’s current Noticing Agent, will be the
18 Disbursing Agent under the Plan.

19 **38. Disclosure Statement.** This Second Amended Disclosure Statement (as may
20 be further amended or modified) prepared by the Debtor as required by § 1125 of the Bankruptcy
21 Code describing the Plan.

22 **39. Disputed Claim.** Disputed Claims include: (i) a Claim which has been
23 scheduled as disputed, contingent or unliquidated where a Proof of Claim has not been timely filed
24 thereafter; (ii) a Claim as to which an objection has been timely filed with the Bankruptcy Court, and
25 which objection has not been withdrawn on or before any date fixed for filing such objections by the
26 Plan or by order of the Bankruptcy Court and has not been overruled or denied by a Final Order; and
27 (iii) any Claim listed as a Disputed Claim on the Claim Chart.
28

1 **40. Distribution(s).** Any distribution by the Reorganized Debtor to any Class,
2 Claimant or Creditor.

3 **41. Effective Date.** The second Business Day after the Confirmation Date,
4 provided that the Bankruptcy Court has waived the provisions of Bankruptcy Rule 3020(e) and no
5 stay of the Confirmation Order is in effect. If the Bankruptcy Court does not waive the provisions of
6 Bankruptcy Rule 3020(e), then the Effective Date will be the second Business Day which is at least
7 fifteen (15) days following the date of entry of the Confirmation Order, providing there has been no
8 appeal from and order staying the effectiveness of the Confirmation Order. If there has been an
9 order entered staying the effectiveness of the Confirmation Order, the Effective Date shall be the
10 second Business Day after the stay is no longer in effect with respect to the Confirmation Order.

11 **42. Equity Interest.** An “equity security” as defined in § 101(16) of the
12 Bankruptcy Code, including membership units and interests.

13 **43. Equity Holder(s).** A holder of any Unit or an Equity Interest. Dr. Ignatius
14 Piazza, VNV Dynasty Trust – FS I, and VNV Dynasty Trust – FS II were the Equity Holders of the
15 Debtor on the Petition Date. Dr. Ignatius Piazza held 1% voting interest and VNV Dynasty Trust –
16 FS I and VNV Dynasty Trust – FS II each held a 49.5% non-voting interest in the Debtor.

17 **44. Estate.** The estate of the Debtor created upon commencement of the Case
18 pursuant to § 541 of the Bankruptcy Code.

19 **45. Exit Financing.** Financing in the sum of approximately \$24 million
20 consisting of the New Value Contribution from the New Equity Investor.

21 **46. Executory Contract.** A contract to which the Debtor is a party that is subject
22 to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

23 **47. Final Fee Application(s).** The final request for payment of Professional Fee
24 Claims.

25 **48. Final DIP Order.** *The Final Order: (I) Authorizing Debtor to Obtain Post-*
26 *Petition Financing, (II) Granting Liens and Administrative Expense Claims, (III) Authorizing*
27 *Debtor’s Use of Cash Collateral, (IV) Modifying the Automatic Stay, and (V) Granting Other*
28 *Related Relief* [ECF No. 228] entered by the Bankruptcy Court on July 1, 2022.

1 **49. Final Order.** An order or judgment of the Bankruptcy Court, as entered on
2 the applicable docket, that has not been reversed, stayed, modified or amended, and as to which the
3 time to appeal, petition for certiorari, or move for re-argument or rehearing has expired, and as to
4 which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing shall then
5 be pending, or as to which any right to appeal, petition for certiorari, reargue, or rehear have been
6 waived in writing in form and substance satisfactory to the Debtor prior to the Effective Date, or to
7 the Reorganized Debtor after the Effective Date, or, in the event that an appeal, writ of certiorari, or
8 re-argument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court
9 shall have been affirmed by the highest court to which such order or judgment was appealed, or
10 certiorari has been denied, or from which re-argument or rehearing was sought and denied, and the
11 time to take any further appeal, petition for certiorari or move for re-argument or rehearing shall
12 have expired.

13 **50. Front Sight Property.** The Debtor's primary place of business located at 1
14 Front Sight Road, Pahrump, Nevada 89061, Nye County Assessor's Parcel Nos. 045-481-05 and
15 045-481-06, consisting of 550 acres of raw land and approximately 500 acre feet of water rights.

16 **51. FS DIP.** The Debtor's senior secured lender FS DIP, LLC, whose debtor in
17 possession financing to the Debtor was approved, pursuant to 11 U.S.C. § 364, by Final Order of the
18 Court. See, ECF No. 228.

19 **52. General Unsecured Claim.** A Claim against the Debtor that is not secured
20 by a charge against, or interest in, any of the Debtor's Assets, that is not an Administrative Claim, a
21 Priority Claim, or a Priority Tax Claim.

22 **53. Holder(s).** A Person holding a Claim or Interest against the Debtor, provided,
23 however, with respect to transfers of Claims governed by Bankruptcy Rule 3001(e), in order for the
24 transferor to be deemed the Holder of the Claim for distribution purposes, the deadline for any
25 objection to the proposed transfer of a Claim must have passed with either (1) no objection to the
26 transfer having been filed, or (2) any objection to such transfer having been resolved in favor of the
27 transferor by no later than the Confirmation Date. In other words, after the Effective Date, without
28

1 the express consent of the Reorganized Debtor, no transfer of Claims will be recognized by the
2 Reorganized Debtor for Distributions made pursuant to the Plan.

3 **54. Impaired.** When used in reference to a Claim, Interest or Class, a Claim,
4 Interest or Class that is impaired within the meaning of § 1124 of Bankruptcy Code.

5 **55. Interest.** When “Interest” is used in the context of holding an equity security
6 or unit of the Debtor (and not used to denote (i) the compensation paid for the use of money for a
7 specified time and usually denoted as a percentage rate of interest on a principal sum of money, or
8 (ii) a security interest in property), then “Interest” shall mean an interest or share in the Debtor of the
9 type described in the definition of “Equity Interest.”

10 **56. Litigation Claims.** Any and all Causes of Action of the Effective Date,
11 including without limitation all causes of action arising under chapter 5 of the Bankruptcy Code,
12 including without limitation those causes of actions which could be brought by the Debtor under one
13 or more of sections 542, 543, 544, 545, 547, 548, 549, 550, 551, 552, and 553 of the Bankruptcy
14 Code against any Person or other entity, including any governmental entity, who received an
15 avoidable transfer from the Debtor, including but not limited to insiders, employees, officers, and
16 equity holders of the Debtor. Although the Debtor has not concluded its investigation of all the
17 potential Litigation Claims and all the potential parties to such claims, a non-exclusive summary of
18 known potential Litigation Claims is described in the Disclosure Statement.

19 **57. New Value Contribution.** The approximately \$19.575 million Cash
20 Contribution by the New Equity Investor plus approximately \$5.2 million contribution of FS DIP’s
21 secured claim (for a total of at least \$24.775 million) in exchange for the issuance of 100% of the
22 New Equity Interests in the Reorganized Debtor to the New Equity Investor.

23 **58. New Equity Interests.** The new equity interests to be issued on the Effective
24 Date.

25 **59. New Equity Investor.** Nevada PF, LLC, an affiliate of the Debtor’s post-
26 petition lender FS DIP, or its assignee.

27 **60. Noticing Agent.** Stretto is the claims and noticing agent employed in the
28 Debtor’s bankruptcy case.

1 **61. OUST.** Office of the United States Trustee for Region 17.

2 **62. Person.** Person shall have the same meaning as in § 101(41) of the
3 Bankruptcy Code.

4 **63. Petition Date.** May 24, 2022, the date on which the Debtor filed its voluntary
5 petition for relief under chapter 11, thereby commencing this Case.

6 **64. Plan.** The *Second Amended Plan of Reorganization* (as may be further
7 amended or modified) proposed by the Debtor and including, without limitation, all exhibits,
8 supplements, appendices and schedules thereto, either in its present form or as it may be altered,
9 amended, supplemented, or modified from time to time.

10 **65. Plan Supplement.** Collectively, the compilation of documents and forms of
11 documents, and all exhibits, attachments, schedules, agreements, documents and instruments
12 referred to therein, ancillary or otherwise, all of which are incorporated by reference into, and are an
13 integral part of, the Plan, as all of the same may be amended, modified, replaced and/or
14 supplemented from time to time in accordance with the terms hereof and the Bankruptcy Code and
15 the Bankruptcy Rules. The Plan Supplement shall be filed with the Bankruptcy Court by no later
16 than October 21, 2022.

17 **66. Post-Confirmation Status Report.** The post-confirmation status report to be
18 filed by the Reorganized Debtor if so ordered by the Bankruptcy Court.

19 **67. Priority Claim.** A Claim entitled to priority under § 507(a) of the
20 Bankruptcy Code, other than a Priority Tax Claim pursuant to § 507(a)(8) of the Bankruptcy Code.

21 **68. Priority Tax Claim.** A Claim entitled to priority under § 507(a)(8) of the
22 Bankruptcy Code.

23 **69. Professional Fee Applications.** Applications filed pursuant to sections 330,
24 331 or 503(b)(4) of the Bankruptcy Code for allowance of Administrative Claims relating to the
25 compensation and reimbursement of expenses of Professionals employed pursuant to an order of the
26 Bankruptcy Court under sections 327 or 1103 of the Bankruptcy Code for services provided and
27 expenses incurred prior to the Effective Date.
28

1 **70. Professional Fee Claims.** (A) a claim under sections 327, 328, 330, 331,
2 503(b), 1103 or 1106 of the Bankruptcy Code for compensation for professional services rendered or
3 expenses incurred on and after the Petition Date and prior to the Effective Date on behalf of the
4 Estate by a Professional duly employed and authorized by an Order of the Bankruptcy Court; or (b) a
5 claim under § 503(b)(4) of the Bankruptcy Code for reasonable compensation for professional
6 services rendered by an attorney or accountant of an entity whose expense is allowable under §
7 503(b)(3)(D) of the Bankruptcy Code for making a substantial contribution to the Estate.

8 **71. Professionals.** Those Persons (i) that are subject to the retention pursuant to
9 an order of the Bankruptcy Court in accordance with sections 327, 1103 and/or 1106 of the
10 Bankruptcy Code and to be compensated for services rendered prior to the Effective Date pursuant
11 to sections 327, 328, 329, 330 and 331 of the Bankruptcy Code or (ii) for which compensation and
12 reimbursement has been allowed by the Bankruptcy Court pursuant to sections 330 and 503(b)(2) of
13 the Bankruptcy Code.

14 **72. Proponent.** The proponent of the Plan is the Debtor.

15 **73. Pro Rata.** Pro rata means proportionate so that the ratio of (a) the amount of
16 consideration distributed on account of an Allowed Claim to (b) the amount of the Allowed Claim is
17 the same as the ratio of (x) the amount of consideration available for distribution on account of all
18 Allowed Claims in the Class in which the Allowed Claim is included to (y) the amount of all
19 Allowed Claims in that Class.

20 **74. Reorganized Debtor.** The Debtor following the occurrence of the Effective
21 Date.

22 **75. Reserve Account.** An account created, and in an amount determined, by the
23 Reorganized Debtor pending the resolution of a Disputed Claim, containing a sufficient amount to
24 satisfy such Disputed Claim in a manner consistent with that Claim's treatment under the Plan
25 should it ultimately become an Allowed Claim.

26 **76. Scheduled.** Scheduled means the information set forth in the Schedules.

27 **77. Schedules.** The Schedules of Assets and Liabilities filed by the Debtor in
28 accordance with § 521 of the Bankruptcy Code and Bankruptcy Rule 1007 [ECF No. 137], as the

1 same may be amended from time to time in accordance with Bankruptcy Rule 1009 prior to the
2 Effective Date.

3 **78. Secured Claim.** A Claim that is secured by a lien against any Assets to the
4 extent of the value of the Estate's interest in such Assets, or to the extent of the amount of such
5 Claim subject to setoff in accordance with § 553 of the Bankruptcy Code, in either case determined
6 pursuant to § 506(a) of the Bankruptcy Code.

7 **79. Unclaimed Distribution.** Any Distribution made by the Reorganized Debtor
8 or the Disbursing Agent to the address of the recipient reflected in the Schedules (or on any Proof of
9 Claim filed by the Claimant), by: (a) checks which have been returned as undeliverable without a
10 proper forwarding address; (b) checks which were not mailed or delivered because of the absence of
11 a proper address to which to mail or deliver the same; (c) checks which have not been cashed for a
12 period of ninety (90) days after the date such checks were issued, or (d) disbursements that were not
13 made because the Holder of such Allowed Claim failed to provide required tax information within
14 forty-five (45) days after the Reorganized Debtor or the Disbursing Agent have sent any request for
15 same to such Claimant's address as reflected in the Schedules and/or such Claimant's Proof of
16 Claim.

17 **80. Unclassified Claim.** Any Claim which is not part of any Class, including
18 Administrative Claims and Priority Tax Claims.

19 **81. Unimpaired.** A Claim is unimpaired when it is within a class that is not
20 impaired within the meaning of § 1124 of the Bankruptcy Code.

21 **82. Unsecured Claim.** Any Claim, including without limitation any claim arising
22 under § 502(g) of the Bankruptcy Code, that is not secured by a lien on, security interest in, or
23 charge against, any Asset.

24 **B. Exhibits.**

25 All Exhibits to this Disclosure Statement are incorporated into and are part of this Disclosure
26 Statement as if set forth in full herein.

27
28

1 **C. Computing Time Periods.**

2 In computing any period of time prescribed or contemplated by the Plan, Bankruptcy Rule
3 9006(a) shall apply.

4 **D. Notices and Delivery of Documents.**

5 All notices, correspondence, and other deliveries under the Plan must be directed as follows:

6 To the Debtor or Reorganized Debtor: Front Sight Management LLC
7 1 Front Sight Road
8 Pahrump, NV 89061

9 With a Copy to: Susan K. Sefflin
10 BG Law LLP
11 300 S. 4th Street, Suite 1550
12 Las Vegas, NV 89101
13 Fax: (866) 995-0215
14 Email: ssefflin@bg.law

15 **III. BACKGROUND**

16 **A. Description and History of the Debtor’s Business and a Summary of the Circumstances
17 that Led to the Filing of the Debtor’s Chapter 11 Case.**

18 **1. General Background.**

19 The Debtor was originally formed as a California business and operated near Bakersfield,
20 California from its formation in 1996 until 2002. In 1998, the Debtor purchased the Front Sight
21 Property and began building what is now the finest and largest private firearms training facility in
22 the world. In 2012, the Debtor became a Nevada limited liability company. The Debtor’s primary
23 place of business is the Front Sight Property located at 1 Front Sight Road, Pahrump, Nevada 89061.
24 The Debtor’s website is www.frontsight.com.

25 The Front Sight Property is accessed by a four-mile, two lane paved road, and is currently
26 comprised of 50 outdoor firearms training ranges, live fire tactical training simulators, an 8,000
27 square foot classroom and pro shop, and assorted accessory buildings, bathrooms, three water wells
28 and thousands of square yards of completed grading for future development (the “Front Sight
Firearms Facility”).

1 The Debtor provides firearms training courses which promote the defensive use of various
2 firearms. Courses are offered to the general public, members of law enforcement and military
3 members. The Front Sight Firearms Facility is the most successful of its type in the United States.
4 The Debtor provides classes and instruction annually to upwards of 40,000 gun and weapons
5 enthusiasts. The Debtor is considered the leader in its field, and provides additional training and
6 instruction for numerous city and state agencies seeking to improve performance of their respective
7 law enforcement departments. Over the last 25 years, the Debtor has trained a million students and
8 currently has over 263,000 members.

9 Historically, the Debtor has operated its business by selling lifetime memberships, courses
10 and ancillary products. The Debtor's business model centered around a major expansion plan that
11 was intended to build the Front Sight Vacation Club & Resort (vacation residences, a RV park, etc.),
12 a retail area adjacent to the vacation club and a pavilion (collectively, the "Project"). The Debtor's
13 intent was that the discounted lifetime memberships and other promotional benefits (like "Front
14 Sight bucks" [money to be used on limited items at Front Sight], certificates [to be used for 2 day or
15 4-day training courses], etc.) would lead to a "captive" customer base that would be more likely to
16 take advantage of the Vacation Club & Resort which would then bring increased revenue to the
17 Debtor.

18 For the fiscal year 2021, the Debtor's gross revenue was \$19,423,078.86. The Debtor's gross
19 revenue for fiscal year 2020 was \$14,355,073.91. The Debtor expects that its gross revenue for 2022
20 will be approximately \$7.5 million.

21 Dr. Ignatius Piazza is the Chief Executive Officer, founder and manager of the Debtor. The
22 Equity Holders of the Debtor are Dr. Piazza, VNV Dynasty Trust – FS I, and VNV Dynasty Trust –
23 FS II.

24 **2. The Debtor's Prepetition Lender and Other Lienholders.**

25 The Debtor's prepetition lender is Las Vegas Development Fund LLC ("LVDF"). On or
26 about October 6, 2016, the Debtor and LVDF entered into that certain Construction Loan Agreement
27 and Promissory Note (the "CLA") for a \$75 million construct loan to build the Project. Of the \$75
28 million loan amount, LVDF only ever funded \$6,375,000 (which caused significant harm to the

1 Debtor). The CLA is secured by that certain Construction Deed of Trust, Security Agreement,
2 Assignment of Leases and Rents, and Fixture Filing recorded on October 13, 2016, in the Official
3 Records Nye County Nevada as document number 860867 (the “LVDF Deed of Trust”).

4 On May 18, 2022, LVDF recorded a notice of election to sell against the Front Sight
5 Property. As of the Petition Date, LVDF was owed \$11,027,956.26, which included (i) unpaid
6 principal of \$6,375,000, (ii) late fees of \$955,695, (iii) interest of \$1,817,130, (iv) attorneys’ fees of
7 \$1,744,853.19 and (v) past due foreclosure costs of \$131,364. Postpetition, as of June 10, 2022,
8 LVDF asserted that it was owed \$11,233,878.47 [ECF No. 121].

9 While LVDF appears to have perfected the LVDF Deed of Trust against the Front Sight
10 Property by recording it, LVDF appears to not have any interest in the Debtor’s cash collateral.
11 Although the LVDF Deed of Trust includes an assignment of rents, the Debtor can only find an
12 initial UCC recorded in Nye County in 2016, and no continuation statement has been filed as of the
13 Petition Date (and the initial UCC filing expired within five years). On September 29, 2022, Debtor
14 objected to LVDF’s claim(s), including Proof of Claim No. 284. (*See* ECF No. 393). The hearing
15 date on the Debtor’s objection is November 18, 2022 at 9:30 a.m. (PT), the same date and time as
16 that set for the Confirmation Hearing.

17 Other than LVDF, three other creditors asserted security interests against the Debtor on the
18 Petition Date. The first is M2 EPC, which recorded a mechanic’s lien in the amount of \$614,000 on
19 December 30, 2021, in the Official Records Nye County Nevada as document number 973226. As
20 of the Petition Date, \$110,000 of the \$614,000 remained unpaid. The second is Top Rank Builders
21 Inc., which recorded a mechanic’s lien in the amount of \$295,000 on March 7, 2022, in the Official
22 Records Nye County Nevada as document number 977950. As of the Petition Date, \$15,000 of the
23 \$295,000 remained unpaid. The third is Bankgroup Financial Services (“BFS”), which is a “dba” of
24 the Debtor’s former chief operating officer, Michael Meacher (“Meacher”). BFS asserts a security
25 interest in certain firearms either owned or maintained by the Debtor pursuant to an agreement
26 entered into while Meacher was an insider and officer of the Debtor, which agreement does not
27 disclose Meacher’s insider status to the Debtor and BFS. The firearms owned by the Debtor were
28 Scheduled with a book value \$214,569.00, and the Debtor believes the market value of those guns is

1 at least \$300,000. The Debtor intends on filing an objection and adversary complaint with respect to
2 the BFS / Meacher claims and seeking lien avoidance.

3 Other than the lienholders disclosed above and the post-petition lender FS DIP, there are no
4 other parties that assert a security interest against the Debtor or its assets.

5 **3. The Debtor's Other Indebtedness.**

6 The Debtor believes that it has approximately \$10 million in valid general unsecured debt as
7 of the date this Disclosure Statement was filed. Approximately \$6.5 million of general unsecured
8 claims arise out of unsecured obligations owing to the Debtor's Champion Club members and
9 Platinum members.

10 **B. Management, Principals, and Affiliates of the Debtor's Business.**

11 At the time of the Petition Date, the Debtor's Chief Executive Officer and manager was Dr.
12 Piazza. Dr. Piazza founded the Debtor in 1996 and is the Debtor's sole manager and owns 1% of the
13 voting shares of the Debtor. Because the Debtor is a limited liability company, it does not have a
14 board of directors. The Debtor's other two Equity Holders, each of which holds 49.5% of non-voting
15 stock are VNV Dynasty Trust – FS I and VNV Dynasty Trust – FS II.

16 The Reorganized Debtor's post confirmation management is described more fully in Article
17 IV.D.3 below.

18 **C. Events Leading to the Debtor's Chapter 11 Filing.**

19 The primary factor that precipitated the filing of this case arose out of Debtor's pre-petition
20 business dealings with LVDF. As discussed above, the Debtor's business model centered around a
21 major expansion plan that was intended to build the Project. With that goal in mind, the Debtor
22 began researching its financing options. Financing from traditional banks was largely unavailable to
23 the Debtor due to its business centering around the use of firearms.

24 In 2012, the Debtor was approached by Robert W. Dziubla ("Dziubla") and John Fleming
25 ("Fleming"), doing business as LVDF,⁶ who represented themselves as like-minded, pro-gun patriots
26 who told the Debtor that they would be able to obtain a financing package for the Debtor to raise up
27

28 ⁶ LVDF disputes the Debtor's version of events set forth in Section III.C of this Disclosure Statement.

1 to \$150 million (at a low interest rate) to build and bring to market, among other things, the Vacation
2 Club & Resort. Dziubla, Fleming and LVDF stated that all they needed from the Debtor was
3 \$300,000 in fees needed to secure approval from the United States Customs and Immigration
4 Service (“USCIS”) and \$100,000 in marketing costs to solicit foreign investors to participate in an
5 EB-5⁷ immigration investment plan.

6 The Debtor initially declined the Dziubla, Fleming and LVDF offer twice. Dziubla and
7 Fleming persisted and represented to the Debtor that due to their vast experience raising foreign
8 investments, their personal connections in China, and their desire to help the Debtor complete its
9 development, that they could raise the necessary funds within a year.

10 After months of solicitation, the Debtor accepted Dziubla’s and Fleming’s proposal. The
11 Debtor paid the requested \$300,000 in fees to secure approval from the USCIS to market the EB-5
12 investment project. Instead of taking a year as promised to secure the USCIS approval, it took over
13 two years. The Debtor paid the aforementioned \$100,000 in marketing fees, as well as another
14 \$120,000 in marketing fees, but the promised funding never materialized.

15 Four years later, in 2016, Dziubla and Fleming represented that they had secured the first
16 \$2.5 million in investor funding, and had hundreds of investors in a pipeline to invest in the
17 construction project, but needed to execute a construction loan document to start the flow of
18 investment money. In October of 2016, after three months of negotiating a construction loan
19 agreement, the Debtor was induced into signing the CLA with the expectation that \$75 million in
20 funding would follow shortly thereafter. However, Dziubla and Fleming produced only \$6.375
21 million dollars in funding over the next two years, all of which was used by the Debtor under the
22 parameters of the construction loan agreement. During this time period, the Debtor paid the interest
23 payments on the money every month on time and in full until September 2021. By 2018, the Debtor
24 became suspicious that the funds advanced to Dziubla and Fleming (the \$300,000 in fees and
25 \$220,000 for marketing) had not actually been used to secure USCIS approval and for marketing the
26 project to foreign investors, and requested that Dziubla and Fleming produce such evidence.

27
28 ⁷ An “EB-5” investment allows qualified foreign investors who meet specific capital investments
and job creation requirements to potentially obtain permanent residency.

1 Dziubla and Fleming refused to show proof of where the funds the Debtor paid had been
2 spent and apparently in retaliation for the Debtor's demands, Dziubla and Fleming fraudulently
3 claimed that the Debtor was in default on a number of terms of the CLA (which the Debtor was not
4 in default).

5 To sum up a very complex history, Dziubla, Fleming and LVDF defaulted on their
6 obligations, failed to raise the funds necessary to complete the Vacation Club & Resort, and
7 litigation was commenced by the Debtor against Dziubla, Fleming, LVDF and related affiliates
8 (collectively, the "LVDF Parties") in August of 2018, styled *Front Sight Management, LLC v. Las*
9 *Vegas Development Fund LLC et al.*, Case No. A-18-781084-B, which, on the Petition Date, was
10 pending in the Eighth Judicial District Court in Clark County, Nevada (the "LVDF Litigation"). In
11 the LVDF Litigation, the Debtor asserts claims for, among other things, fraud in the inducement,
12 intentional misrepresentation, breach of fiduciary duty and conversion against the LVDF Parties.
13 Dziubla, Fleming, and LVDF then filed a fraudulent foreclosure action against the Debtor. The
14 judge in the LVDF Litigation initially placed a temporary restraining order on the foreclosure action
15 but was lifted shortly before the Petition Date due to the Debtor's inability to obtain a bond.

16 The LVDF Litigation has been pending for nearly four years, and shortly before the Petition
17 Date, the LVDF Parties filed a notice of foreclosure against the Front Sight Property.

18 While the Debtor believes it will ultimately prevail in the litigation, the Debtor's legal fees
19 related to the LVDF Litigation and foreclosure action have exceeded one million dollars to date.
20 Furthermore, the most damaging consequences arising out of the LVDF Parties malfeasance are (a)
21 the loss of momentum the Debtor suffered in completing the development of the Vacation Club &
22 Resort, (b) the loss of member confidence the Debtor suffered due to all the delays in the project, (c)
23 the resulting reduction in membership sales, and (d) the increased difficulty for the Debtor to obtain
24 additional financing to complete the project.

25 In addition to the LVDF Litigation, the Debtor was a party to three other pending actions on
26 the Petition Date as stated below:

27 **The Dziubla Action.** Pre-petition, Dziubla, among others, filed a complaint against
28 the Debtor, among others, for trespass, privacy claims, defamation, and harassment in the Superior

1 Court of the State of California for the County of San Diego, commencing the case styled *Robert*
2 *Dziubla et al., v. Ignatius A. Piazza II et al.*, Case No. 37-2018-00057391-CU-DF-NV (the “Dziubla
3 Action”). During the pendency of the Dziubla Action, the state court granted in part and denied in
4 part the Debtor’s and Dr. Piazza’s special motion to strike the complaint pursuant to Cal. Code. Civ.
5 Proc. § 425.16, and awarded the Debtor and Dr. Piazza attorneys fees as the prevailing party.
6 Dziubla, among others, appealed the trial court’s ruling on the special motion to strike to the Court
7 of Appeal, Fourth District, Division 1, California. The appellate court affirmed in part and reversed
8 in part, and remanded the trial court’s ruling on the special motion to strike. *Dziubla v. Piazza*, 59
9 Cal. App. 5th 140, 273 Cal. Rptr. 3d 297 (2020). Subsequently, on May 10, 2022, a jury found in
10 favor of Dr. Piazza and the Debtor on the intentional infliction of emotional distress and the threat of
11 violence claims. As of the Petition Date, the Dziubla Action was on appeal.

12 **The Armscor Action.** Shortly before the Petition Date, Armscor Precision
13 International filed a complaint against the Debtor for breach of contract in the Fifth Judicial District
14 Court of Nevada, commencing the case styled *Armscor Precision International v. Front Sight*
15 *Management LLC*, Case No. CV22-0161 (the “Armscor Action”). The Armscor Action was pending
16 on the Petition Date, but was never served on the Debtor. The Armscor Action is currently stayed
17 because of the Debtor’s bankruptcy filing.

18 **The Top Rank Builders Action.** Pre-petition, Top Rank Builders Inc. filed a
19 complaint against the Debtor, among others, for breach of contract in the Fifth Judicial District Court
20 of Nevada, commencing the case styled *Top Rank Builders Inc. v. Direct Grading and Paving LLC,*
21 *et al.*, Case No. CV19-0113 (the “Top Rank Builders Action”). The Top Rank Builders Action was
22 pending on the Petition Date, but it is currently stayed because of the Debtor’s bankruptcy filing.

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

26 Because (i) the Vacation Club & Resort and related project had not yet materialized, (ii) the
27 Debtor’s ability to obtain traditional financing to complete the construction was impossible while the
28

1 LVDF Litigation was pending and (iii) a foreclosure sale was imminent, the Debtor was forced to
2 seek bankruptcy protection.

3 **D. Significant Events During the Bankruptcy.**

4 The following is a list of significant events which have occurred during this case:

5 **1. First Day Motions.**

6 The Debtor's efforts during the early part of this Case focused on obtaining authority to,
7 among other things, secure debtor-in-possession financing, maintain certain prepetition accounts,
8 honor and continue certain customers programs, and pay pre-petition wages, salaries, and other
9 compensation, which were each critical elements of the continuation of the Debtor's business
10 operations.

11 **Maintain Prepetition Accounts.** On the Petition Date, the Debtor filed its *Emergency*
12 *Motion for Order Authorizing Maintenance of Certain Prepetition Bank Accounts and Merchant*
13 *Accounts and Cash Management System* [ECF No. 7] (the "Maintain Prepetition Accounts Motion").
14 On May 26, 2022, the OUST filed an opposition to the Maintain Prepetition Accounts Motion [ECF
15 No. 31]. The Court entered its interim order granting the Maintain Prepetition Accounts Motion on
16 June 2, 2022 [ECF No. 81], and a final order granting the Maintain Prepetition Accounts Motion on
17 August 5, 2022 [ECF No. 317].

18 **Honor Customer Programs.** On the Petition Date, the Debtor filed its *Emergency Motion*
19 *for Entry Order of an Order Authorizing the Debtor to Honor and Continue Certain Customer*
20 *Programs and Customer Obligations in the Ordinary Course of Business* [ECF No. 13] (the "Honor
21 Customer Programs Motion"). The Court entered its final order granting the Honor Customer
22 Programs Motion on June 17, 2022 [ECF No. 141].

23 **Wage Motion.** On the Petition Date, the Debtor filed its *Emergency Motion for Entry of an*
24 *Order: (1) Authorizing, But Not Requiring, Debtor to Pay or Honor (A) Prepetition Wages, Salaries,*
25 *and Other Compensation Including Reimbursement of Expenses and (B) Prepetition Medical,*
26 *Workers' Compensation, Paid Time Off, and Similar Benefits; and (2) Authorizing and Directing*
27 *Applicable Banks and Other Financial Institutions to Receive, Process, Honor, and Pay Checks*
28 *Presented for Payment and to Honor Fund Transfer Requests* [ECF No. 9] (the "Wage Motion").

1 On May 26, 2022, the OUST filed an opposition to the Wage Motion [ECF No. 31]. On May 31,
2 2022, the Court entered a final order granting the Wage Motion [ECF No. 50].

3 **2. DIP Financing and Cash Collateral.**

4 Pre-petition, the Debtor did not have sufficient available sources of working capital and
5 financing to carry out the operation of its business and fund a chapter 11 reorganization, thus, the
6 Debtor determined that it was necessary to enter into a postpetition financing agreement with lender
7 FS DIP. On May 24, 2022, the Debtor filed its *Emergency Motion For Entry Of Interim And Final*
8 *Orders: (I) Authorizing The Debtor To Obtain Postpetition Financing, (II) Granting Priming Liens*
9 *And Administrative Expense Claims, (III) Authorizing The Debtor's Use of Cash Collateral, (IV)*
10 *Modifying the Automatic Stay, And (V) Granting Related Relief* [ECF No. 4] (the "DIP Motion")
11 pursuant to which it sought to obtain postpetition financing ("DIP Financing") from FS DIP. The
12 OUST objected to the DIP Motion [ECF Nos. 31, 117]. LVDF objected to the DIP Motion [ECF
13 Nos. 35, 121]. BFS objected to the DIP Motion [ECF No. 125]. The Committee filed a limited
14 objection to the DIP Motion [ECF No. 147]. The DIP Motion was granted on an interim basis
15 pursuant to Court order entered on May 31, 2022 [ECF No. 59], and on a final basis pursuant to
16 Court order entered on July 1, 2022 [ECF No. 228] (the "Final DIP Order"). The Final DIP Order
17 authorizes the Debtor to borrow up to \$5 million from FS DIP, and authorized the Debtor to operate
18 within a budget approved by FS DIP for a 13-week period beginning in the week commencing June
19 27, 2022, subject to extension by agreement between the Debtor and FS DIP. The Final DIP Order
20 also granted FS DIP a valid, enforceable, non-avoidable and fully perfected first priority security
21 interest on substantially all of the Debtor's assets pursuant to Section 364 of the Bankruptcy Code
22 (the "FS DIP Liens").

23 **3. Appointment of Committee.**

24 The Committee was appointed by the OUST on June 9, 2022, pursuant to § 1102 of the
25 Bankruptcy Code.

26 **4. Employment of Professionals.**

27 On May 24, 2022, the Debtor filed its *Emergency Application for the Entry of an Order*
28 *Authorizing the Debtor to Employ and Retain Stretto as Claims, Noticing and Solicitation Agent*

1 [ECF Nos. 10, 18] (the “Stretto Application”). The OUST objected to the Stretto Application [ECF
2 No. 31]. The Stretto Application was approved pursuant to Court order entered on June 1, 2022
3 [ECF No. 64] (the “Stretto Order”).

4 On May 27, 2022, the Debtor filed its *Application to Employ BG Law LLP as General*
5 *Bankruptcy Counsel Effective Nunc Pro Tunc to May 24, 2022* [ECF No. 42] (“BG Application”).
6 The OUST objected to the BG Application [ECF No. 128]. The BG Application was approved
7 pursuant to Court order entered on June 30, 2022 [ECF No. 224].

8 On May 31, 2022, the Debtor filed its *Application to Employ Province, LLC as Financial*
9 *Advisor Pursuant to 11 U.S.C. §§ 327(a) and 330 Nunc Pro Tunc to the Petition Date* [ECF No. 60]
10 (the “Province Application”). The OUST objected to the Province Application [ECF No. 142]. The
11 Province Application was approved pursuant to Court order entered on June 30, 2022 [ECF No.
12 225].

13 On June 27, 2022, the Debtor filed its *Application to Employ Lucas Horsfall, LLC as*
14 *Accountant Pursuant to 11 U.S.C. §§ 327(a), 328(a) and 330 Effective as of the Petition Date* [ECF
15 No. 200] (the “Lucas Application”). The Lucas Application was approved pursuant to Court order
16 entered on August 24, 2022 [ECF No. 326].

17 On August 29, 2022, the Debtor filed its application [ECF No. 329] (the “GT Application”)
18 to employ Greenberg Traurig, LLC (“GT”) as its special membership counsel. The GT Application
19 was approved at a hearing held on September 30, 2022. An order has not yet been entered.

20 On July 1, 2022, the Committee filed its application to employ Carlyon Cica CHTD. as its
21 Nevada counsel [ECF No. 230] (the “Carlyon Application”). The Carlyon Application was
22 approved pursuant to Court order entered on July 26, 2022 [ECF No. 299].

23 On July 1, 2022, the Committee filed its application to employ Kelley Drye & Warren LLP
24 as its lead counsel [ECF No. 233] (the “Kelley Application”). The Kelley Application was approved
25 pursuant to Court order entered on July 29, 2022 [ECF No. 302].

26 On July 1, 2022, the Committee filed its application to employ Dundon Advisers LLC as its
27 financial advisor [ECF No. 236] (the “Dundon Application”). The Dundon Application was
28 approved pursuant to Court order entered on July 29, 2022 [ECF No. 303].

1 On June 27, 2022, the Debtor filed its *Motion to Entry of Order Establishing Procedure for*
2 *Interim Compensation and Reimbursement of Expenses for Professionals* [ECF No. 202] (the
3 Interim Compensation Motion”). Through the Interim Compensation Motion, the Debtor requests
4 that the Court establish certain procedures for interim compensation of the Debtor’s and the
5 Committee’s professionals. The Interim Compensation Motion was granted pursuant to Court order
6 entered on August 5, 2022 [ECF No. 318].

7 **5. Motion to Appoint Examiner.**

8 On June 27, 2022, LVDF filed a motion to appoint an examiner [ECF No. 211] (the
9 “Examiner Motion”). On July 11, 2022, the Debtor filed an opposition [ECF No. 254] to the
10 Examiner Motion and the Committee filed an opposition [ECF No. 255]. The hearing on the
11 Examiner Motion was held on July 25, 2022, and the Court issued its oral ruling on the Examiner
12 Motion on September 9, 2022 at 9:30 a.m. and denied the Examiner Motion. The Court entered a
13 Final Order denying the Examiner Motion [ECF No. 347].

14 **6. Legal Proceedings.**

15 **The LVDF Litigation and Subsequent Removal.**

16 As referenced in Section III.C above, the LVDF Litigation was commenced by the Debtor in
17 August 2018. In the LVDF Litigation, the Debtor asserts claims for, among other things, fraud in
18 the inducement, intentional misrepresentation, breach of fiduciary duty and conversion against the
19 LVDF Parties. As referenced above, in 2019, LVDF filed a fraudulent foreclosure action against the
20 Debtor through its *Defendants’ Answer to Plaintiff’s Second Amended Complaint; and Counterclaim*
21 (the “Initial Counterclaim”). In the Initial Counterclaim, LVDF alleged that the Debtor breached the
22 CLA in a multitude of ways, including improper use of loan proceeds and transferring assets to
23 related parties. As to the fraudulent nature of LVDF’s foreclosure action and its Initial
24 Counterclaim, on January 23, 2020, the state court entered its *Findings of Fact, Conclusions of Law,*
25 *and Order Denying Defendant Las Vegas Development Fund LLC’s Motion to Dissolve Temporary*
26 *Restraining Order and to Appoint a Receiver* (the “January 23, 2020 Order”).

1 Although LVDF alleged in the Initial Counterclaim the Debtor improperly used funds and
2 improperly transferred assets to its principals, in the January 23, 2020 Order, the state court made the
3 following conclusions of law:

4 a. Regarding alleged Breach #1, the Court concludes that Front Sight’s expenses
5 on the Project far exceed the amount of the loan from Defendant LVDF has [*sic*] Defendant
6 LVDF’s assertion that Front Fight improperly used loan proceeds is without merit, and
consequently, LVDF has failed to establish this alleged breach.

7 b. As to the second, third, and fifth through thirteenth alleged breaches, as
8 asserted by Defendant/Counterclaimant LVDF, the Court concludes that LVDF has not
9 established that Plaintiff is in breach of the Construction Loan Agreement, and consequently,
LVDF is not entitled to the relief that it seeks by this Motion.

10 c. Regarding the fourth alleged breach, pertaining to the reduction in the size of
11 the Patriot Pavilion, because it appears that the size of the classroom was reduced but not the
12 overall size of the facility, creating an issue of fact as to this alleged breach, the Court
concludes that LVDF has not established that Plaintiff is in breach of the construction Loan
13 Agreement, and consequently, LVDF is not entitled to the relief it seeks by this Motion.

14 January 23, 2020 Order, pp. 7-8.

15 Thus, at late as January 2020, the state court found that the Debtor was not in default under
16 the CLA and had not improperly used the CLA loan proceeds. Notwithstanding the state court’s
17 conclusions of law, on June 4, 2020, LVDF amended the Initial Counterclaim by filing its operative
18 *Defendants’ Answer to Plaintiff’s Second Amended Complaint; and First Amended Counterclaim*
19 (the “Operative Counterclaim”) against, among others, the Debtor and non-debtor affiliates and
20 related entities (the “Non-Debtor Entities”) for fraud, fraudulent transfers, intentional interference
21 with contractual relationships, conversion, civil conspiracy, judicial foreclosure, and waste. The
22 Debtor contends that the counterclaims are property of the Estate as they are premised on either: (i)
23 the Debtor’s principal being the alter ego of the Debtor; or (ii) allegations that the Debtor made
24 fraudulent transfers to the Non-Debtor Entities.

25 On May 12, 2022, LVDF filed a motion for terminating sanctions (the “Terminating
26 Sanctions Motion”) in the LVDF Litigation, which was set for hearing on May 25, 2022, i.e., after
27 the Petition Date. The Terminating Sanctions Motion was based on the Debtor’s and the Non-
28 Debtor Entities’ failure to appear for their depositions. Through the Terminating Sanctions Motion,

1 LVDF requested that the state court strike the Debtor's operative complaint and enter judgment in
2 favor of LVDF on the Debtor's claims, and to strike the Non-Debtor Entities answers and
3 affirmative defenses to the Operative Counterclaim and enter default judgment in LVDF's favor,
4 including on the fraudulent transfer claims.

5 Notwithstanding the Debtor's bankruptcy filing, postpetition on June 22, 2022, the state court
6 entered its *Order Granting in Part Defendants and Counterclaimant's Motion for Case Dispositive*
7 *Sanctions* (the "Terminating Sanctions Order") against the Non-Debtor Entities. The Debtor asserts
8 that each of LVDF's counterclaims is property of the Estate, and upon the filing of the Debtor's
9 bankruptcy petition, LVDF was divested of standing to prosecute such claims and continued
10 prosecution by LVDF was and is a violation of the automatic stay.

11 Accordingly, on June 23, 2022, the Debtor removed the LVDF Litigation to the Bankruptcy
12 Court, commencing adversary proceeding no. 22-01116-abl (the "Adversary Proceeding"). On June
13 27, 2022, LVDF filed a motion to remand the LVDF Litigation to the state court [Adv. ECF No. 4]
14 ("Remand Motion") and a motion to terminate the automatic stay to continue prosecution of the
15 counterclaims, including the fraudulent transfer claims [ECF No. 206] ("Stay Motion"). The
16 hearings on these motions were held on July 25, 2022, and the Bankruptcy Court issued its oral
17 rulings on both motions on September 9, 2022 at 9:30 a.m. The Bankruptcy Court denied LVDF's
18 Remand Motion pursuant to Court order entered on September 15, 2022[ECF No. 107]. The
19 Bankruptcy Court denied LVDF's Stay Motion pursuant to Court order entered on September 15,
20 2022 [ECF No. 346]. In connection with its oral ruling on the Stay Motion, the Bankruptcy Court
21 found that LVDF's counterclaims in the LVDF Litigation are property of the Debtor's bankruptcy
22 estate and that only the Debtor, as the Debtor-in-possession, has standing to prosecute them.

23 On July 5, 2022, the Debtor filed its motion for entry of an order confirming that the
24 Terminating Sanctions Order is void as a violation of the automatic stay or, in the alternative, for
25 relief from the Terminating Sanctions Order pursuant to Rule 60(b) of the Federal Rules of Civil
26 Procedure [Adv. ECF No. 43 and amended motion Adv. ECF No. 51]. The hearing on this motion
27 was held on September 1, 2022, and the Court intended to issue its oral ruling on September 15,
28 2022. In advance of the oral ruling, the Debtor and LVDF stipulated that the Terminating Sanctions

1 order is void ab initio as a violation of the automatic stay, and the Court order approving the
2 stipulation was entered on September 15, 2022 [Adv. ECF No. 106].

3 **Objections to Claims.** The Debtor filed an objection to LVDF's claim on September
4 29, 2022 [ECF No. 393]. The Debtor intends on filing a complaint for avoidance of lien and
5 objection to claim to the Meacher/BFS claim(s) shortly. Pursuant to the terms of a consulting
6 agreement between the New Equity Investor and the Debtor's principal, Ignatius Piazza (the
7 "Consulting Agreement"), which Consulting Agreement will be filed with the Plan Supplement, the
8 New Equity Investor has agreed to fund up to \$1,000,000 in litigation costs to allow the Reorganized
9 Debtor to litigate the LVDF and Meacher Claims. Mr. Piazza will have litigation decision control
10 with respect to the LVDF and Meacher Claims, and Mr. Piazza and the Reorganized Debtor have
11 agreed to a division of any recoveries from the LVDF and Meacher litigation.

12 The Debtor will also be objecting to any claim marked on the Claim Chart as objectionable,
13 to the proofs of claims filed by terminated members who have been refunded in full, and to any
14 proof of claim filed by a member asserting a monetary claim against the Debtor arising out of
15 membership reward account assets. The Debtor or Reorganized Debtor, as applicable, reserves the
16 right to review and object to any claims in its sole discretion, so long as such objection is filed prior
17 to the Claim Objection Deadline (which is 180 days after the Effective Date).

18 **7. Prosecution of Avoidance Actions & Other Potential Claims.**

19 The Debtor has not yet filed any actions seeking to recover any fraudulent conveyances or
20 preferential transfers. See Section IV.D.7 below for more detail.

21 **IV. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER** 22 **THE PLAN**

23 **A. What Creditors and Interest Holders Will Receive Under the Plan.**

24 As required by the Bankruptcy Code, the Plan classifies Claims and Interests in various
25 Classes according to their right of priority under the Bankruptcy Code. The Plan states whether each
26 Class of Claims or Interests is impaired or unimpaired. The Plan provides the treatment each Class
27 will receive.

1 **B. Unclassified Claims.**

2 Certain types of Claims are not placed into voting Classes; instead they are unclassified.
3 They are not considered impaired and they do not vote on the Plan because they are automatically
4 entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Debtor has not
5 placed the following Unclassified Claims in a Class.

6 **1. Administrative Claims.**

7 Administrative Claims are for costs or expenses of administering the Debtor's Chapter 11
8 Case which are allowed under Bankruptcy Code Section 507(a)(1). Allowed Administrative Claims
9 representing post-Petition Date liabilities incurred by the Debtor in the ordinary course of business,
10 for which no approval by the Bankruptcy Court is required, shall be paid in full in accordance with
11 the terms and conditions of the particular transaction giving rise to such liabilities and any
12 agreements relating thereto. The Bankruptcy Code requires that all Administrative Claims be paid
13 on the Effective Date unless a particular Claimant agrees to a different treatment. After the Effective
14 Date, while the Debtor's Chapter 11 Case remains open, the Reorganized Debtor will (i) file with the
15 United States Trustee quarterly reports; and (ii) timely pay fees incurred pursuant to 28 U.S.C.
16 Section 1930(a)(6).⁸

17 The following chart lists all of the Debtor's Section 507(a)(1) administrative claims and their
18 treatment under the Plan.
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27 ⁸ The quarterly fees owed to the United States Trustee are due and owing every quarter, without the
28 requirement for the United States Trustee to file an administrative claim or a proof of claim. There is
also no bar date for quarterly fees.

NAME	AMOUNT OWED ⁹	TREATMENT
Administrative Claims (Incurred in the Ordinary Course of Business)	Estimated at approximately \$75,000 to \$500,000	Allowed Administrative Claims representing post-Petition Date liabilities incurred by the Debtor in the ordinary course of business, for which no approval by the Bankruptcy Court is required, shall be paid in full in accordance with the terms and conditions of the particular transaction giving rise to such liabilities and any agreements relating thereto.
BG Law LLP, bankruptcy counsel to the Debtor	Approximately \$150,000 in addition to the post-petition payments to BG pursuant to the order approving the Interim Compensation Motion [ECF No. 318] (the "Interim Compensation Order") and in addition to the amounts provided for in the Debtor's DIP Financing budget.	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses.
Province, LLC, financial advisor to the Debtor	Approximately \$100,000 in addition to the post-petition payments made by the Debtor in connection with the Interim Compensation Order and in addition to the amounts provided for in the Debtor's DIP Financing budget.	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses.
Lucas Horsfall, accountant to the Debtor	Approximately \$40,000 [in addition to the amount that has been paid pursuant to its ordinary course work done as approved the Lucas Horsfall Order].	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses.
Greenberg Traurig, special membership counsel to the Debtor	\$50,000 estimated	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses.
Stretto, claims, noticing and solicitation agent for the Debtor	\$0	Paid in the ordinary course of business pursuant to the order approving Stretto's employment [ECF No. 64]

⁹ The amounts set forth in this chart are estimates of the administrative claim amount that the Debtor believes each administrative claimant may be entitled to on the Effective Date in addition to the amounts provided for in the Debtor's DIP Financing budget. The amounts set forth in this chart are subject to change. Currently there is a discrepancy between the projected/estimated amount of Professional Fee Claims and the amount available under the Plan to pay Professional Fee Claims.

NAME	AMOUNT OWED ⁹	TREATMENT
Carlyon Cica CHTD., Nevada counsel to the Committee	Approximately \$100,000 in addition to the post-petition payments made by the Debtor in connection with the Interim Compensation Order and in addition to the amounts provided for in the Debtor's DIP Financing budget.	The Debtor believes that the amount ultimately allowed may be less but was provided with an estimate in this amount by Carlyon Cica CHTD. Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses.
Kelley Drye & Warren LLP, counsel to the Committee	Approximately \$350,000 in addition to the post-petition payments made by the Debtor in connection with the Interim Compensation Order and the amount provided for in the DIP Financing budget and in addition to the amounts provided for in the Debtor's DIP Financing budget.	The Debtor believes that the amount ultimately allowed may be less but was provided with an estimate in this amount by Kelley Drye & Warren LLP. Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses.
Dundon Advisers LLC, financial advisor to the Committee	Approximately \$100,000 in addition to the post-petition payments made by the Debtor in connection with the Interim Compensation Order and in addition to the amounts provided for in the Debtor's DIP Financing budget.	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses.
TOTAL	Between Approximately \$965,000 and \$1,390,000 est. ¹⁰	Paid in the manner described above

Reservation of Rights

Nothing in the Plan or Disclosure Statement and nothing set forth in the above chart should be construed as an admission by the Debtor or any other party as to the validity of the asserted / projected Professional Fee Claims. The Debtor, the New Equity Investor, the OUST, Creditors and all other parties in interest reserve all rights to object to Professional Fee Claims.

Court Approval of Fees Required:

The Bankruptcy Court must approve, or must have previously approved on a final basis, all Professional Fee Claims listed in the foregoing chart before they may be paid. Only the amount of fees and expenses approved by the Bankruptcy Court is required to be paid under the Plan. The

¹⁰ Not all of these claims will be paid from the Cash Contribution. Some will be paid in the ordinary course of business, and some are provided for in the Debtor's DIP Financing budget.

1 administrative claim amounts set forth above for professional fees and expenses simply represent the
2 Debtor's best estimate as to the amount of Allowed Professional Fee Claims, which estimates
3 assume that the Debtor makes all of the post-petition professional fee monthly payments that the
4 Bankruptcy Court has authorized the Debtor to make. The actual Administrative Claims for
5 Professional fees and expenses may be higher or lower. By voting to accept the Plan, Creditors are
6 not acknowledging the validity of, or consenting to the amount of, any of these Administrative
7 Claims for professional fees and expenses, and Creditors are not waiving any of their rights to object
8 to the allowance of any of these Professional Fee Claims. Also, the Professionals employed in this
9 Case may, prior to the Effective Date, seek Court approval of interim fees and expenses incurred in
10 excess of the post-petition professional fee monthly payments received by such Professionals,
11 pursuant to prior orders of the Bankruptcy Court. To the extent any such interim fees and expenses
12 are allowed by the Bankruptcy Court and paid by the Debtor prior to the Effective Date, that will
13 reduce the amount of professional fees and expenses to be paid by the Reorganized Debtor.

14 **The last day to file any Administrative Claims (but NOT for ordinary post-petition**
15 **operating obligations or Professional Fee Claims) is thirty (30) days after the Effective Date.**

16 Administrative expenses will be paid on the later of the Effective Date or 10 days after the entry of a
17 Final Order allowing the administrative expense, unless the administrative claimant has consented
18 otherwise in writing. On or before the Effective Date, the Debtor or the Reorganized Debtor will
19 serve notice of an administrative bar date on all potential administrative claimants including, but not
20 limited to, the Debtor's post-petition suppliers, service providers and employees.

21 **2. Priority Tax Claims.**

22 Priority tax claims include certain unsecured income, employment and other taxes described
23 by Section 507(a)(8) of the Bankruptcy Code. The Bankruptcy Code requires that each holder of
24 such a Section 507(a)(8) priority tax claim receive the present value of such claim in deferred cash
25 payments, over a period not exceeding five years from the Petition Date. The Debtor believes that it
26 owes \$500 to the Internal Revenue Service. The Reorganized Debtor will pay this Priority Tax
27 Claim on the Effective Date. If there are any other Allowed Priority Tax Claims as of the Effective
28 Date, the Reorganized Debtor will pay those Allowed Priority Tax Claims in full by the Reorganized

1 Debtor over a period not exceeding five years from the Petition Date. The State of Nevada
 2 Department of Taxation has filed amended Proof of Claim 150-2 against the Debtor asserting an
 3 unsecured priority claim in the amount of \$73,215.50 and a general unsecured claim of \$3,884.14. It
 4 appears that this claim arises out of post-petition taxes due, which the Debtor believes it is current
 5 on. The Debtor is in the process of investigating this claim and has estimated the liability at
 6 \$100,000 for purposes of the Plan.

7 **C. Classified Claims and Interests.**

8 **1. Class of Secured Claims.**

9 Secured Claims are claims secured by liens on property of the Estate. The following chart
 10 sets forth the description and treatment of each of the Debtor’s known Secured Claims. The Debtor
 11 has listed the below Creditors based on the priority of their liens.

CLASS #	DESCRIPTION	IMPAIRED (Yes/No)	TREATMENT
N/A	Secured Claim of FS DIP (an affiliate of the New Equity Investor) Collateral Description: 1 st Priority Lien on substantially all assets of the Debtor’s Estate [except as set forth in ECF No. 288]. Amount of Claim: Approximately \$5,200,000	No.	The FS DIP Secured Claim will be paid in full on the Effective Date or waived by FS DIP as part of the New Value Contribution from the New Equity Investor. Upon the occurrence of the Effective Date and satisfaction in full of the FS DIP Secured Claim (or contribution in partial satisfaction of the new value and consideration exchanged for the Reorganized Debtor’s new equity interests), the commitments and obligations under the FS DIP loan agreements and the Final DIP Order are terminated, and FS DIP’s security interest in the Debtor’s Assets is terminated. Unimpaired. This Claim is a Secured Claim and will be satisfied in full on the Effective Date. Presumed to accept the Plan and not entitled to vote.
	Secured claim of LVDF Collateral Description: Real property located at 1 Front Sight Road, Pahrump, NV 89061 (“Front Sight Property”) Interest rate: Non-Default – 6%		Debtor to file objection to LVDF’s claim. This Claim is Contingent and Disputed. Treatment: Pending resolution of the Debtor’s objection to LVDF’s claim [ECF No. 393] and the Debtor’s affirmative claims against LVDF and prior to the Effective

CLASS #	DESCRIPTION	IMPAIRED (Yes/No)	TREATMENT
1	<p>Maturity Date – October 4, 2021</p> <p>*Debtor has a pending action against LVDF and believes that it has significant affirmative claims against LVDF and significant offsets.</p>	Yes.	<p>Date, \$11,805,706.01 of the Cash Contribution shall be placed into a reserve account maintained by Stretto for LVDF's allowed claim. If LVDF's allowed claim is less than the reserve amount, any surplus shall revert to the Reorganized Debtor.</p> <p>Until resolution of LVDF's disputed claim, and commencing January 2023, monthly interest shall accrue at the non-default rate of 6% set forth in the underlying loan documents on an estimated claim amount of \$6.7 million.</p> <p>Upon resolution of the Debtor's objection to LVDF's claim and its affirmative claims against LVDF, LVDF shall be paid the balance of its allowed secured claim, if any, in full within five (5) business days of a final order allowing such claim.</p> <p>Lien: To the same extent and validity of its existing lien, LVDF shall have a first priority lien against the \$11,805,706.01 in the reserve account until any allowed claim is paid from the reserve.</p> <p>Collateral: LVDF's collateral shall solely be the \$11,805,706.01 in the reserve account.</p> <p>EB5 Related Obligations: The Reorganized Debtor shall have no EB5 Related Obligations.</p> <p>Such treatment shall be in full and complete satisfaction of the Class 1 claim. The Debtor shall have no other obligations under the requisite loan agreements or deed of trust.</p> <p>Impaired; Entitled to Vote</p>
2	<p>Secured claim of Michael Meacher dba Bankgroup Financial Services</p> <p>Collateral Description: Certain of the Debtor's firearms</p> <p>Value of Collateral: Approximately \$214,569 book value of collateral set forth in the Bankgroup UCC financing statement filed March 22, 2021</p>	Yes.	<p>This Claim is Contingent and Disputed.</p> <p>The Debtor disputes the validity of this claim and is filing a complaint to avoid the lien which includes an objection to claim and a fraudulent transfer claim.</p> <p>Treatment:</p> <p>Pending resolution of the Debtor's complaint against Meacher and prior to the Effective Date, \$3.3 million of the Cash Contribution shall be placed into a</p>

CLASS #	DESCRIPTION	IMPAIRED (Yes/No)	TREATMENT
	Former insider.		<p>reserve account maintained by Stretto for Meacher's allowed claim. If Meacher's allowed claim is less than the reserve amount, any surplus shall revert to the Reorganized Debtor.</p> <p>Upon resolution of the aforementioned complaint, if the Class 2 claimant has an allowed secured claim, such claim shall be paid in full.</p> <p>Lien: To the same extent and validity of its existing lien against the Debtor's guns, Meacher shall have a first priority lien against the \$3.3 million in the reserve account until any allowed claim is paid from the reserve. I.e., Meacher will have a lien in the Cash in the reserve account equal to the fair market value of the Debtor's guns.</p> <p>To the extent that Meacher has a lien against guns owned by Ignatius Piazza, such lien shall not be affected by the Plan.</p> <p>Collateral: The \$3.3 million in the reserve account but only to the same extent and validity of Meacher's interest in the Debtor's guns.</p> <p>Impaired; Entitled to Vote</p>
3	M2 EPC Collateral Description: the Front Sight Property. Amount of Claim: \$110,000	Yes	<p>The Class 3 claim will be paid in monthly installments of \$10,000 commencing February 1, 2023 until paid in full.</p> <p>Payment start date – February 1, 2023 Payment end date – December 1, 2023</p> <p>Impaired; Entitled to Vote</p>
4	Top Rank Builders Inc. Collateral Description: the Front Sight Property. Amount of Claim: \$15,000	Yes	<p>The Class 4 claim will be paid in three monthly installments of \$5,000.</p> <p>Payment start date – February 1, 2023 Payment end date – April 1, 2023</p> <p>Impaired; Entitled to Vote</p>

2. Classes of Priority Unsecured Claims.

Certain Priority Claims that are referred to in Bankruptcy Code Sections 507(a)(3), (4), (5),

(6), and (7) are required to be placed in Classes. These types of Claims are entitled to priority treatment as follows: the Bankruptcy Code requires that each holder of such a Claim receive cash on the Effective Date equal to the allowed amount of such claim. However, a class of unsecured priority claim holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claim. The Debtor does not believe that there are any valid outstanding Section 507(a)(3), (4), (6), or (7) priority unsecured claims. If there are any allowed priority unsecured claims as of the Effective Date, these claims will be paid in full by the Reorganized Debtor on the Effective Date (or as soon as practicable thereafter). All allowed Section 507(a)(3), (4), (6), or (7) priority unsecured claims, if any, will be characterized as Priority Claims.

There is one valid outstanding Section 507(a)(5) priority unsecured claim, which claim and treatment are set forth below:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Yes/No)</u>	<u>TREATMENT</u>
5	Employee Wage Claim of \$8,758.99	No.	Paid in full within 10 business days of the Effective Date. Not impaired; not entitled to vote.

3. Classes of General Unsecured Claims.

General Unsecured Claims are classified and treated as follows:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Yes/No)</u>	<u>TREATMENT</u>
6	All General Unsecured Claims Estimated at approximately \$10 million to \$30 million. (This number is subject to change as follows: (a) the resolution of objections to Disputed Claims; and (b) the amount of rejection damages claims asserted by members.) [This estimation does not include any insider claims as the Debtor's insiders have agreed to subordinate all of their claims to those of General Unsecured Creditors	Yes.	The Debtor disputes the validity of many of the claims asserted by members and intends on objecting to such claims. <u>Treatment:</u> Prior to the Effective Date, \$3 million of the Cash Contribution shall be placed into a reserve account for allowed general unsecured claims. Any fees relating to objections to Class 6 claims after the Effective Date will be paid from this reserve. Upon resolution of objections to claims, holders of Class 6 allowed claims shall receive their pro rata share of the reserve amount. Impaired; Entitled to Vote

CLASS #	DESCRIPTION	IMPAIRED (Yes/No)	TREATMENT
	and have agreed that their claims will not be paid.]		

4. Classes of Interest Holders.

Interest holders are the parties who hold an ownership interest (i.e., equity interest) in the Debtor. The following chart identifies the Plan’s treatment of the class of interest holders:

CLASS #	DESCRIPTION	IMPAIRED (Yes/No)	TREATMENT
7	Equity Interests of Dr. Ignatius Piazza (1% Voting), VNV Dynasty Trust – FS I (49.5% Non-Voting) and VNV Dynasty Trust – FS II (49.5% Non-Voting)	No.	Treatment: Current equity holders will not retain any equity under the Plan. Impaired. Presumed not to accept the Plan.

D. Means of Effectuating the Plan and Implementation of the Plan.

1. Plan Funding.

The Plan will be funded by the Exit Financing in the aggregate amount of the \$19.575 million Cash Contribution and the contribution or payment of FS DIP’s secured claim of approximately \$5.2 million by the New Equity Investor. Of this amount, the Reorganized Debtor anticipates that it will require approximately \$700,000 for working capital to meet the Debtor’s operating needs. Such proceeds will be utilized as follows:

Administrative (Professional)	\$500,000 ¹¹
FS DIP Secured Claim	\$5,200,000 (estimated)
LVDF Secured Claim	\$11,805,706.01 (reserve account)
Meacher Secured Claim	\$3,300,000 (reserve account)
Lease/Contract Cures	\$0
Priority Claims	\$100,000 (estimated)
Solicitation Expenses	\$125,000
Unsecured Claims	\$3,000,000 (reserve account)
Miscellaneous	<u>\$50,000</u>
Total	\$24,080,706.01

Based on the foregoing, the Debtor is confident that sufficient funds will exist to make all required Effective Date payments.

¹¹ Currently there is a discrepancy between the projected/estimated amount of Professional Fee Claims and the amount available under the Plan for Professional Fee Claims.

1 **2. Release of Liens.**

2 Within 30 days of the Effective Date, LVDF and Meacher shall file releases of their
3 respective liens against the Front Sight Property and the Debtor’s guns with the appropriate
4 government agencies (the “Release Procedures”). In the event that the foregoing parties do not
5 complete the Release Procedures, the Reorganized Debtor shall be granted, pursuant to the
6 Confirmation Order, power of authority for the limited purpose of implementing and consummating
7 the Release Procedures.

8 The Confirmation Order shall provide that Meacher’s and LVDF’s respective liens attach, to
9 the same extent and validity of their prepetition liens, to their respective reserve accounts.

10 **3. Composition of the Reorganized debtor and Post-Confirmation Management.**

11 On the Effective Date, the Reorganized Debtor will remain a Nevada limited liability
12 company. The Reorganized Debtor’s managing member shall be William W. Wilson. The New
13 Equity Investor (Nevada PF, LLC or its assignee) will own a 100% equity interest in the
14 Reorganized Debtor as of the Effective Date.

15 The Debtor currently anticipates that the managing member of the e Reorganized Debtor
16 immediately following the Effective Date will be William W. Wilson. The New Equity Investor
17 currently operates under the name of PrairieFire and its business is focused on providing the most
18 memorable and unique “special ops” experiences available to civilians worldwide. William “Bill”
19 Wilson is the current CEO of PrairieFire. PrairieFire’s website is <https://www.prairiefire.com/>, and
20 contains a more detailed biography of Mr. Wilson. The Debtor believes that Mr. Wilson’s expertise,
21 insight and capabilities will enable the Reorganized Debtor to succeed post confirmation.

22 Dr. Piazza, a current equity holder of the Debtor and its current Chief Executive Officer and
23 manager, has agreed to act on a limited basis as a consultant for the Reorganized Debtor after the
24 Effective Date. Dr. Piazza will not hold a management position but will enter into a consulting
25 agreement with the Reorganized Debtor.

26 **4. Disbursing Agent.**

27 Stretto, the Debtor’s current Noticing Agent, will act as the Disbursing Agent for purposes of
28 making most, if not all, Distributions under the Plan. Stretto will also maintain the reserve accounts

1 for Classes 1, 2 and 6. With respect to the reserve accounts, Stretto has agreed to (i) waive all
2 monthly maintenance fees (\$550 per account per month), (ii) waive account opening fees (\$3,000
3 savings per account), and (iii) waive all transactional fees (for wires and ACH payments). The
4 Disbursing Agent will bill at discounted hourly rates of \$70 an hour (Associate) and \$250 an hour
5 (Managing Director), and the Disbursing Agent has agreed to waive hourly rates related to clerical
6 labor.

7 To the extent that the Reorganized Debtor acts as Disbursing Agent, it will receive no
8 compensation for distribution services and expenses incurred pursuant to the Plan.

9 **5. Objections to Claims.**

10 The claims Bar Date in this Case was August 8, 2022, for non-governmental entities and
11 October 8, 2022, for governmental entities. Attached as **Exhibit A** to this Disclosure Statement is a
12 Claim Chart, which identifies all of the Debtor's filed proofs of claims which have been filed to date
13 against the Debtor. Following Confirmation of the Plan, the Reorganized Debtor shall be the sole
14 entity with the standing and authority to file objections to Claims in this case, and shall have the
15 right to file objections to all Claims which are inconsistent with the Debtor's books and records
16 unless the Reorganized Debtor deems the inconsistency to be insignificant. Any proof of claim that
17 is filed with the Bankruptcy Court and/or served on the Debtor after the Effective Date will be
18 deemed invalid (without the need for the Reorganized Debtor to file an objection to such late-filed
19 claim) unless the claimant files a motion for leave of Court to file such claim. With respect to
20 disputed claims which are not resolved prior to the Effective Date, the Reorganized Debtor shall
21 have the authority, in its sole discretion, in the reasonable exercise of its business judgment to settle
22 or compromise any Claim following the Effective Date by submitting a stipulation to the Bankruptcy
23 Court without a notice or hearing thereon.

24 As provided by Section 502(c) of the Bankruptcy Code, the Bankruptcy Court may estimate
25 any contingent, unliquidated or disputed claim for purposes of Confirmation of the Plan. The
26 Bankruptcy Court shall retain jurisdiction over the Debtor, the Reorganized Debtor, this Case and
27 this Estate to resolve and to adjudicate any and all such objections to Claims which are commenced
28 or continued following the Confirmation of the Plan. Nothing contained in the Plan shall constitute

1 a waiver or release by the Debtor or the Reorganized Debtor of any rights of setoff or recoupment, or
2 of any defense, the Debtor or the Reorganized Debtor may have with respect to any claim, or of any
3 basis that the Reorganized Debtor Trustee may have to object to any such claim.

4
5 **Any Proof of Claim or Interest that is filed with the Bankruptcy Court and/or served on**
6 **the Debtor or Reorganized Debtor after the Effective Date will be deemed invalid unless the**
7 **Claimant files a motion for leave of Court to file such Claim.**

8 The Debtor specifically reserves the right to file objections to any and all Claims set forth in
9 **Exhibit A** to this Disclosure Statement, and to any subsequently filed proofs of claim. An order
10 confirming the Plan shall not be *res judicata*, collateral estoppel, or other bar to the Reorganized
11 Debtor's or other party in interest's right to object to such Claims after the Effective Date.

12 **Claims Arising from the Rejection of Memberships**

13 Members will have until 30 days after the Effective Date to file a proof of claim arising out
14 of the rejection of their memberships. However, if members want to vote on the Plan, they need to
15 file a claim no later than November 4, 2022 for voting purposes (but still have until 30 days after the
16 Effective Date to file a proof of claim for purposes of participating in Class 6 distributions). The
17 Effective Date is estimated to be on around November 23, 2022, which would make the bar date for
18 filing claims related to termination of memberships on or around December 23, 2022. Please note
19 that any proof of claim filed in an amount that is more than what the respective member has paid for
20 his or her membership and membership benefits and promotions will be objected to.

21 **6. Payment Upon Resolution of Disputed Claims.**

22 The Disbursing Agent will not make any payment to the holder of a Disputed Claim until
23 such Disputed Claim becomes an Allowed Claim. Pending a resolution of the Disputed Claim, the
24 Disbursing Agent will create a reserve account (the "Reserve Account") which will contain proposed
25 distributions based on the Disputed Claims. Within sixty (60) days after a Disputed Claim becomes
26 an Allowed Claim, the Disbursing Agent will make a payment on such Allowed Claim from the
27 Reserve Account in an amount equal to what the holder of such Allowed Claim would have received
28 if the Claim had been allowed in such amount as of the Effective Date. In the event that the

1 Disputed Claim is disallowed, the portion of the Reserve Account which was designated for payment
2 of the Disputed Claim will be transferred to Allowed Claims in accordance with the treatment set
3 forth in Class 6 above.

4 **7. Investigation and Prosecution of Claims and Avoidance Actions.**

5 As mentioned above, the Debtor intends on filing a complaint to avoid and to recover
6 fraudulent transfers against Meacher. The Debtor reserves its right to file an avoidance action
7 against LVDF and any former member who received a refund before the case was filed.

8 As set forth in Attachment 3 to the Debtor's Statement of Financial Affairs [ECF No. 137,
9 pgs. 100 to 104], the Debtor paid a total of \$1,475,480.12 to creditors in the 90 day preference
10 period (with respect to creditors that received \$7,575 or more during the 90 day preference period).
11 The Debtor does not believe that it has any preference claims arising out of payments made during
12 the 90 day preference period. The majority of the payments during this time period were to suppliers
13 and servicer providers that continued to supply products and provide services to the Debtor during
14 this period, and to professionals that also were providing ongoing services to the Debtor.

15 In connection with its investigation of insider claims, the Debtor's financial advisor prepared
16 a detailed analysis which shows that in the four year period from before the Petition Date (i.e.,
17 5/24/2018 through 5/24/2022), the Debtor's insiders contributed over \$2 million more to the Debtor
18 than the amount that was distributed to them. While the Debtor's records reflect that insider
19 transfers occurred in the three years before that (i.e., 5/24/2015 through 5/23/2018), the Debtor's
20 records also reflect that the Debtor was solvent at the time and that significant income taxes were
21 paid on the Debtor's profits from those distributions (i.e., \$1.3 million for the period from 5/24/2015
22 through 5/23/2016, \$4.9 million for the period 5/24/2016 through 5/23/2017 and \$2.5 million for the
23 period from 5/24/2017 through 5/23/2018). Given the Debtor's solvency, profitability and the large
24 amount of income tax paid related thereto, the Debtor believes that any fraudulent transfer action
25 initiated against its insiders would be costly and ineffective.

26 The Debtor's financial advisor provided the Committee's financial advisor with its detailed
27 four year insider transfer analysis on June 20, 2022, and shortly thereafter the Debtor's financial
28 advisor and the Committee's financial advisor had an initial phone conference. Neither the

1 Committee nor its professionals contacted the Debtor's professionals about any follow up questions
2 related thereto until approximately two months later when they requested the analysis be extended
3 back another two years. The Debtor's financial advisor and the Debtor's bankruptcy counsel have
4 immediately responded to all document and information requests from the Committee's
5 professionals. The Debtor does not know when or if the Committee will complete its investigation.
6 To date, the Committee's professionals have not provided the Debtor's professionals with any
7 analysis of alleged claims that the Committee believes exist.

8 The Committee is currently conducting its investigation of insider claims. Based on its
9 investigation of insider claims conducted to date, the Committee disputes that the estate is limited to
10 the four-year lookback period put forth by the Debtor and whether or not there are viable claims to
11 pursue.

12 The Reorganized Debtor will retain all claims against the Debtor's insiders, including its
13 current equity holders, and such claims shall revest in the Reorganized Debtor upon the Effective
14 Date. The retention of such claims is an important component of the consideration "package" for the
15 New Equity Investor's agreement to pay \$19.575 million in Cash to fund the Plan, to contribute or
16 otherwise satisfy FS DIP's \$5.2 million secured claim and to enable the Reorganized Debtor to
17 continue as a going concern. The retention of these claims by the Reorganized Debtor is part of an
18 integrated transaction between and among the Debtor, FS DIP, the New Equity Investor and Dr.
19 Piazza. As such, the proposed Plan could not be accomplished without the retention of these claims.
20 Furthermore, the Debtor does not believe that there is any value to its potential claims against
21 insiders as set forth above.

22 **8. Payment of Professional Fees and Expenses Incurred After the Effective Date.**

23 The Reorganized Debtor shall be entitled to employ such professionals that the Reorganized
24 Debtor deems appropriate and to pay the fees and expenses incurred by such professionals in the
25 ordinary course without any further order of the Bankruptcy Court.

26 **9. Distributions to Be Made Pursuant to the Plan.**

27 Except as otherwise agreed to by the Reorganized Debtor in writing, Distributions to be
28 made to holders of Allowed Claims pursuant to the Plan may be delivered by regular mail, postage

1 prepaid, to the address shown in the Debtor's Schedules, as they may from time to time be amended
2 in accordance with Bankruptcy Rule 1009, or, if a different address is stated in a proof of claim duly
3 filed with the Bankruptcy Court, to such address. Checks issued to pay Allowed Claims shall be null
4 and void if not negotiated within ninety (90) days after the date such check was mailed to the
5 intended recipient. Those funds represented by voided checks that were not timely negotiated shall
6 become the property of the Reorganized Debtor to the extent the funds relate to distributions made to
7 Classes 2, 3, 4 or 5. Any voided checks or unclaimed distributions relating to Class 6 shall be paid
8 back into the Class 6 reserve maintained by Stretto.

9 **10. Corporate Matters.**

10 Upon the Effective Date, the New Equity Investor shall be the Reorganized Debtor's sole
11 equity holder. Therefore, the occurrence of the Effective Date shall constitute all approvals,
12 consents and actions required by any member of the Debtor under applicable law, and shall enable
13 the Debtor or the Reorganized Debtor to execute any documents, instruments or agreements, and to
14 take all corporate and other actions that are specified in the Plan or the Plan Confirmation Order that
15 are necessary or appropriate to perform, implement and effectuate the Plan. On or before October
16 21, 2022, the Debtor will file its Plan Supplement with the Bankruptcy Court to provide the Court
17 and parties in interest with copies of certain documents and agreements necessary for the transition
18 of the new equity interests in the Reorganized Debtor to the New Equity Investor. Such documents
19 to be included with the Plan Supplement, may include, but are not limited to, the Consulting
20 Agreement, an amended and restated operating agreement of the Reorganized Debtor, officer and
21 director resolutions, an operational budget to ensure a seamless and uninterrupted transition of the
22 Reorganized Debtor's business, and such other agreements the Debtor and the New Equity Investor
23 deem reasonably necessary to effectuate the transactions contemplated by the Plan. The documents
24 submitted with the Plan Supplement may not be in final form and will be subject to change.

25 **11. Exemption from Transfer Taxes.**

26 Pursuant to § 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of a
27 security, or the making or delivery of an instrument of transfer under a plan confirmed under § 1129
28 of the Bankruptcy Code, may not be taxed under any law imposing a stamp tax or similar tax.

1 Transfers under the Plan that are exempt from taxes under § 1146(c) of the Bankruptcy Code include
 2 all transfers by the Debtor after the commencement of its chapter 11 case in contemplation of the
 3 Plan but prior to the Effective Date, and all transfers to and by the Reorganized Debtor. The taxes
 4 from which such transfers are exempt include stamp taxes, recording taxes, sales and use taxes,
 5 transfer taxes, and other similar taxes.

6 **12. Exculpations and Releases.**

7 To the maximum extent permitted by law, neither the Debtor, the Reorganized Debtor, the
 8 Committee members, FS DIP, the New Equity Investor nor any of their successors and assigns,
 9 advisors, attorneys, employees, officers, directors, shareholders, agents, members, representatives,
 10 or Professionals employed or retained by any of them whether or not by Bankruptcy Court order,
 11 each in their capacity as such, shall have or incur liability to any Person for an act taken or
 12 omitted to be taken in connection with, or related to formulating, negotiating, soliciting,
 13 preparing, confirming, implementing, or consummating the Plan or the transactions
 14 contemplated therein, or a contract, instrument, release or other agreement or document created
 15 or entered into in connection with the Plan; provided, however, that each of the above Persons
 16 shall be entitled to rely upon the advice of counsel concerning his or her duties pursuant to, or in
 17 connection with, the Plan or any related document, instrument or agreement; provided further
 18 that the foregoing exculpation shall have no effect on liability of any Person that results from any
 19 act or omission that is determined in a Final Order to have constituted fraud, gross negligence, or
 20 willful misconduct.

21 **E. Other Provisions of the Plan.**

22 **1. Treatment of Prepetition Lifetime Memberships.**

23 All of the Debtor's pre-petition lifetime memberships shall be rejected effective as of the
 24 Effective Date, and members shall be entitled to become members of the Reorganized Debtor
 25 pursuant to the terms set forth in **Exhibit B** hereto.

26 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING
 27 FROM THE REJECTION OF ANY MEMBERSHIP AGREEMENT SHALL BE THIRTY (30)
 28 DAYS AFTER THE EFFECTIVE DATE (ESTIMATED TO BE AT THE END OF DECEMBER

2022). Any claim based on the rejection of a membership agreement will be barred if the proof of claim is not timely filed, unless the Bankruptcy Court orders otherwise. Any Allowed Claim resulting from the rejection of an unexpired lease or executory contract will be classified and treated as a Class 6 Allowed Claim. Please be advised that the Reorganized Debtor or other parties in interest will object to any claim filed with respect to a terminated membership agreement that arises out of a member’s “Account Assets” (versus on the amount paid for such membership and such “Account Assets”).

IF YOU WANT TO VOTE ON THE PLAN AND YOU HAVE NOT ALREADY FILED A PROOF OF CLAIM, YOU NEED TO FILE YOUR PROOF OF CLAIM BY **NOVEMBER 4, 2022.**

2. Executory Contracts and Unexpired Leases.

a. Assumptions.

The following is a list of the Debtor’s executory contracts and unexpired leases which the Debtor may assume on the Effective Date with the obligations of the Debtor to the other parties to such executory contracts and unexpired leases to become obligations of the Reorganized Debtor. The Debtor will file its list of assumed and rejected contracts with the Plan Supplement. Set forth below is an itemization of the defaults which the Debtor contends exist and must be cured in connection with the Debtor’s assumption of such executory contracts and unexpired leases (the “Cure Amounts”) if the Debtor determines the below executory contracts and unexpired leases will be assumed. The Debtor estimates that the total Cure Amounts that the Reorganized Debtor will be required to pay on the Effective Date will be approximately \$0. To the extent the Debtor determines it will assume the below executory contracts and unexpired leases, the Confirmation Order will constitute a Bankruptcy Court order approving the Debtor’s assumption of all such executory contracts and unexpired leases and fixing the Cure Amounts for each such executory contract and unexpired lease in the amounts asserted by the Debtor as set forth below.

Executory Contracts/Unexpired Leases That May Be Assumed:

Vendor/Lessor	Description	Vendor/Lessor Address	Cure Amount	Cure Terms
Evolution Insurance Brokers, LLC	Certificate of Insurance – Commercial Liability	8722 S. Harrison St. Sandy, UT 84070	\$0	TBD

Vendor/Lessor	Description	Vendor/Lessor Address	Cure Amount	Cure Terms
Nevada Retail Network Self Insured Group	Workers' Compensation and Employers Liability Coverage	575 S. Saliman Road Carson City, NV 89701	\$0	TBD
Risk Placement Services	Evidence of Property Insurance	1231E Basin Road, #6 Pahrump, NV 89060	\$0	TBD
Scottsdale Insurance Company	Common Policy Agreement	One Nationwide Plaza Columbus, OH 43215	\$0	TBD
State Farm	Auto Insurance Renewal	3250 S Highway 160, Ste 1 Pahrump, NV 89048-4876	\$0	TBD
Williams Scottsman, Inc.	Amendment to Lease Agreement	PO Box 91975 Chicago, IL 60693-1975	\$0	TBD
Maverick	Merchant Agreement	26520 Agoura Road 1 st Floor Calabasas, CA 91302	\$0	TBD

b. Rejections.

Except as otherwise set forth on its list of rejected contracts in the Plan Supplement, the only contracts that the Debtor is rejecting are its membership agreements. All membership agreements will be deemed rejected and the Court order confirming the Plan will constitute a Court order approving the Debtor's rejection of such membership agreements. To the extent that any member whose membership was terminated prior to the Petition Date asserts that somehow he/she/they have an interest in a lifetime membership, such membership agreement is also deemed rejected and terminated effective as of entry of the Confirmation Order.

To the extent the Debtor is a party to any executory contract and/or unexpired lease that is not addressed above, such executory contract or unexpired lease will be deemed rejected, and the Court order confirming the Plan will constitute a Court order approving the Debtor's rejection of all such executory contracts and unexpired leases.

c. Cures.

The Cure Amounts that the Debtor believes are required are set forth in the charts in section a above. Any party who wishes to object to the Debtor's assumption of any of the unexpired leases or executory contracts and/or to the Cure Amounts of any defaults the Debtor believes exist must file a written objection with the Bankruptcy Court no later than 14 days prior to the date first set for the Plan Confirmation Hearing, and serve such objection on counsel to the Debtor. The Bankruptcy Court may deem the failure of any party to file such a timely objection to constitute consent to the Debtor's assumption of the unexpired leases and executory contracts set forth above and to the Cure

1 Amounts of any defaults the Debtor must cure in connection with the Debtor's assumption of these
2 unexpired leases and executory contracts.

3 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING
4 FROM THE REJECTION OF ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE
5 WHICH IS REJECTED ON THE EFFECTIVE DATE SHALL BE THIRTY (30) DAYS AFTER
6 THE EFFECTIVE DATE. Any claim based on the rejection of an unexpired lease or executory
7 contract will be barred if the proof of claim is not timely filed, unless the Bankruptcy Court orders
8 otherwise. Any Allowed Claim resulting from the rejection of an unexpired lease or executory
9 contract will be classified and treated as a Class 6 Allowed Claim.

10 **3. Risk Factors.**

11 The primary risk of implementing the Plan would be the Debtor's inability to obtain an
12 entered final Confirmation Order prior to November 29, 2022, the current deadline for the Debtor to
13 confirm its plan pursuant to the Final DIP Order, or prior to December 1, 2022, the current deadline
14 for the Debtor to obtain such an order pursuant to its agreement with the New Equity Investor. If the
15 Debtor does not obtain an entered final Confirmation Order by November 29, 2022, then pursuant to
16 the Final DIP Order, that will constitute an Event of Default under the DIP Financing, which could
17 cause the Debtor to have to convert its case to one under chapter 7 of the Bankruptcy Code and
18 which could result in the sale of the Debtor's Assets (with no two year membership available to
19 members and with all of the Debtor's employees being terminated).

20 If the Plan Confirmation Order is not entered by November 29, 2022, the Debtor will also run
21 out of money to fund its operations and its bankruptcy case.

22 The termination of existing memberships as of the Effective Date may materially increase the
23 amount of general unsecured claims in this case, which would then greatly decrease any distribution
24 to be received for holders of Class 6 allowed general unsecured claims.

25 If the Debtor is not successful in objecting to various claims, then the projected unsecured
26 claim pool of between \$10 million and \$30 million could be significantly higher.

27 There is a risk that the Plan is not confirmable under section 1129(a) of the Bankruptcy Code
28 because not all impaired classes vote in favor of the Plan.

1 There is a risk that the Plan is not confirmable under the “cramdown” provision of section
2 1129(b) of the Bankruptcy Code.

3
4 There is a risk the Reorganized Debtor will not obtain the requisite membership interest to
5 support ongoing operations.

6 **4. Changes in Rates Subject to Regulatory Commission Approval.**

7 The Debtor is not subject to governmental regulatory commission approval of its rates.

8 **F. Retention of Jurisdiction.**

9 Following the Confirmation of the Plan and occurrence of the Effective Date, in addition to
10 jurisdiction which exists in any other court, the Bankruptcy Court shall retain such jurisdiction as is
11 legally permissible including for the following purposes:

12 1. To resolve any and all disputes regarding the operation and interpretation of the Plan
13 and the Confirmation Order;

14 2. To determine the allowability, classification, or priority of Claims and to consider any
15 objection to claim or interest whether such objection is filed before or after the Effective Date;

16 3. To determine the extent, validity and priority of any lien asserted against any Asset or
17 property of the Debtor or the Debtor’s Estate;

18 4. To construe and take any action to enforce the Plan, the Confirmation Order, and any
19 other order of the Bankruptcy Court, issue such orders as may be necessary or appropriate for the
20 implementation, execution, performance, and consummation of the Plan, the Confirmation Order,
21 and all matters referred to in the Plan and the Confirmation Order, and to determine all matters that
22 may be pending before the Bankruptcy Court in this Case on or before the Effective Date;

23 5. To determine (to the extent necessary) any and all applications for allowance of
24 compensation and reimbursement of expenses of Professionals for the period on or before the
25 Effective Date;

26 6. To determine any request for payment of administrative expenses;

27 7. To determine motions for the rejection, assumption, or assignment of executory
28 contracts or unexpired leases filed before the Effective Date and the allowance of any Claims

1 resulting therefrom;

2 8. To determine all applications, motions, adversary proceedings, contested matters, and
3 any other litigated matters instituted during the pendency of this Case whether before, on, or after the
4 Effective Date, including Claims, Causes of Action, and Avoidance Actions, and the Reorganized
5 Debtor shall have the right to commence in the Bankruptcy Court any Causes of Action, including
6 any Avoidance Actions, after the Effective Date, and to continue with the prosecution in the
7 Bankruptcy Court of any such claims, Causes of Action and Avoidance Actions which were
8 commenced but not completed by the Debtor prior to the Effective Date;

9 9. To determine such other matters and for such other purposes as may be contemplated
10 by the Plan or Confirmation Order;

11 10. To modify the Plan under § 1127 of the Bankruptcy Code in order to remedy any
12 apparent defect or omission in the Plan, or to reconcile any inconsistency in the Plan, so as to carry
13 out its intents and purposes;

14 11. Except as otherwise provided in the Plan or the Confirmation Order, to issue
15 injunctions, to take such other actions, or make such other orders, as may be necessary or
16 appropriate to restrain interference with the Plan or the Confirmation Order, or the execution or
17 implementation by any Person or other entity of the Plan or the Confirmation Order;

18 12. To issue such orders in aid of consummation, and in aid of implementation, of the
19 Plan and the Confirmation Order, notwithstanding any otherwise applicable nonbankruptcy law,
20 with respect to any Person or entity, to the fullest extent authorized by the Bankruptcy Code or
21 Bankruptcy Rules; and

22 13. To enter a final decree closing the Case.

23 **G. Amendments to Operating Agreement.**

24 On the Effective Date, the member(s) of the Reorganized Debtor shall be authorized to
25 amend the operating agreement to take all actions necessary and appropriate to carry out the terms of
26 the Plan.

27 **H. Dissolution of the Committee.**

28 On the Effective Date, the Committee, to the extent that it serves as the Official Committee

1 of Unsecured Creditors appointed in this Case, shall be dissolved and its members shall be released
2 and discharged from all rights and duties arising from or related to this Case.

3 **I. Miscellaneous Issues Regarding Plan Distribution.**

4 **1. No Fractional Distributions.**

5 No Distributions in fractions of hundredths of U.S. Dollars (\$0.00's) (i.e., cents) shall be
6 issued. If the Distribution amount allocated to an Allowed Claim at the time of a Distribution
7 hereunder would include fractions of cents, the amount to be distributed to the holder of such Claim
8 shall be rounded down to the highest integral number of cents in the applicable Claim amount.

9 **2. Name and Address of Holder of Claim.**

10 For purposes of all distributions under the Plan, the Disbursing Agent can rely on the name
11 and address of the holder of each Allowed Claim as shown on any timely filed proof of claim and, if
12 none, as shown on the Debtor's Schedules, except to the extent that the Disbursing Agent first
13 receives adequate written notice of a change of address, properly executed by the Holder or its
14 authorized agent.

15 **3. Unclaimed Distribution.**

16 Any Unclaimed Distribution under the Plan shall be forfeited to the Reorganized Debtor. An
17 Unclaimed Distribution is any Distribution made by the Reorganized Debtor to the address of the
18 recipient reflected in the Schedules (or on any Proof of Claim filed by the Claimant), by: (a) checks
19 which have been returned as undeliverable without a proper forwarding address; (b) checks which
20 were not mailed or delivered because of the absence of a proper address to which to mail or deliver
21 the same; (c) checks which have not been cashed for a period of ninety (90) days after the date such
22 checks were issued, or (d) disbursements that were not made because the Holder of such Allowed
23 Claim failed to provide required tax information within forty-five (45) days after the Reorganized
24 Debtor has sent any request for same to such Claimant's address as reflected in the Schedules and/or
25 such Claimant's Proof of Claim.

26 **4. De Minimis Cash Distributions.**

27 Notwithstanding anything to the contrary in the Plan, no Cash Distributions shall be made on
28 account of any Allowed Claim if the Cash Distribution amount is less than \$25.00. Holders of

1 Allowed Claims who would otherwise be entitled to a Distribution in the amount of less than \$25.00
2 shall receive no Distribution on account of such Allowed Claim because the value of such Allowed
3 Claim would be de minimus and the administrative costs associated with processing and mailing the
4 Distributions to the holder of such Allowed Claim would likely exceed the amount of the
5 Distribution.

6 **V. IRS CIRCULAR 230 NOTICE**

7 To ensure compliance with IRS Circular 230, holders of Claims and Interests are hereby
8 notified that; (i) any discussion of federal tax issues contained or referred to in this Disclosure
9 Statement is not intended or written to be used, and cannot be used, by holders of Claims or Interests
10 for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code;
11 (ii) such discussion is written in connection with the promotion or marketing by the Debtor of the
12 transactions or matters addressed herein; and (iii) holders of Claims and Interests should see advice
13 based on their particular circumstances from an independent tax advisor.

14 **VI. TAX CONSEQUENCES OF THE PLAN**

15 CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY
16 AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS,
17 ATTORNEYS, AND/OR ADVISORS. The following disclosure of possible tax consequences is
18 intended solely for the purpose of alerting readers about possible tax issues the Plan may present to
19 the Debtor. The Debtor CANNOT and DOES NOT represent that the tax consequences contained
20 below are the only tax consequences of the Plan because the Tax Code embodies many complicated
21 rules which make it difficult to state completely and accurately all of the tax implications of any
22 action.

23 While the Debtor does not anticipate that confirmation of the Plan will have a significant or
24 material effect on its tax liability, the Debtor does anticipate that, in connection with Confirmation of
25 the Plan and prior to the issuance of new equity interests to the New Equity Investor, the Equity
26 Holders of the Debtor may transfer the Equity Interests of the Debtor to a new holding company, and
27 that the Debtor may make certain tax elections. The Debtor makes no representations regarding the
28 potential tax consequences to Creditors, Equity Holders or the New Equity Investor.

1 **VII. CONFIRMATION REQUIREMENTS AND PROCEDURES**

2 PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THE PLAN
3 SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON
4 CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following
5 discussion is intended solely for the purpose of alerting readers about basic confirmation issues,
6 which they may wish to consider, as well as certain deadlines for filing claims. The Debtor
7 CANNOT and DOES NOT represent that the discussion contained below is a complete summary of
8 the law on this topic.

9 Many requirements must be met before the Bankruptcy Court can confirm a plan. Some of
10 the requirements include that the plan must be proposed in good faith, the acceptance of the plan,
11 whether the Plan pays creditors at least as much as Creditors would receive in a Chapter 7
12 liquidation, and whether the Plan is feasible. These requirements are not the only requirements for
13 confirmation.

14 **A. Who May Vote or Object.**

15 Any party in interest may object to the confirmation of the Plan, but, as explained below, not
16 everyone is entitled to vote to accept or reject the Plan.

17 **B. Who May Vote to Accept/Reject the Plan**

18 A Creditor or Interest holder has a right to vote for or against the Plan if that Creditor or
19 Interest holder has a Claim or Interest which is both (1) allowed or allowed for voting purposes and
20 (2) classified in an impaired class.

21 **C. What Is an Allowed Claim/Interest**

22 As noted above, a Creditor or Interest holder must first have an allowed claim or interest to
23 have the right to vote. Generally, any proof of claim or interest will be allowed, unless a party in
24 interest files an objection to the claim or interest. When an objection to a claim or interest is filed,
25 the creditor or interest holder holding the claim or interest cannot vote unless the Court, after notice
26 and hearing, either overrules the objection or allows the claim or interest for voting purposes.

27 THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE ON ACCOUNT OF
28 PRE-PETITION CLAIMS WAS AUGUST 8, 2022. A creditor or interest holder may have an

1 allowed claim or interest even if a proof of claim or interest is not timely filed. A claim is deemed
2 allowed if (1) it is scheduled on the Debtor's Schedules and such claim is not scheduled as disputed,
3 contingent, or unliquidated, and (2) no party in interest has objected to the claim. An interest is
4 deemed allowed if it is scheduled and no party in interest has objected to the interest.

5 **D. What Is an Impaired Claim/Interest.**

6 As noted above, an allowed claim or interest has the right to vote only if it is in a class that is
7 impaired under the Plan. *See, e.g., In re Barakat*, 99 F.3d 1520 (9th Cir. 1996), *cert. denied*, 520
8 U.S. 1143 (1997) (a class that is not impaired is conclusively presumed to have accepted a chapter
9 11 plan). A class is impaired if the Plan alters the legal, equitable, or contractual rights of the
10 members of that class. For example, a class comprised of General Unsecured Claims is impaired if
11 the Plan fails to pay the members of that class 100% of what they are owed on the Effective Date.

12 In this case, the Debtor believes that members of Classes 1, 2, 3, 4, 6 and 7 are impaired.
13 Parties who dispute the Debtor's characterization of their claim or interest as being impaired or
14 unimpaired may file an objection to the Plan contending that the Debtor has incorrectly characterized
15 the Class.

16 **E. Who Is Not Entitled to Vote.**

17 The following four types of claims are not entitled to vote: (1) claims that have been
18 disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to sections
19 507(a)(1), (a)(2), and (a)(8) of the Bankruptcy Code; and (4) claims in classes that do not receive or
20 retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such
21 classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to sections
22 507(a)(1), (a)(2), and (a)(8) of the Bankruptcy Code are not entitled to vote because such claims are
23 not placed in classes and they are required to receive certain treatment specified by the Bankruptcy
24 Code. Claims in classes that do not receive or retain any value under the Plan do not vote because
25 such classes are deemed to have rejected the Plan. Accordingly, Classes 5 and 7 are not entitled to
26 vote. EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL
27 HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.
28

1 **F. Who Can Vote in More Than One Class.**

2 A Creditor whose Claim has been allowed in part as a secured claim and in part as an
3 unsecured claim is entitled to accept or reject the Plan in both capacities by casting one ballot for the
4 secured part of the claim and another ballot for the unsecured claim. The Debtor believes that
5 Meacher/BFS may be partially secured and partially unsecured. The Debtor does not believe that
6 there are any other Creditors who have a claim that is partially secured and partially unsecured.

7 **G. Votes Necessary to Confirm the Plan.**

8 If impaired classes exist, the Bankruptcy Court cannot confirm the Plan unless (1) at least
9 one impaired class has accepted the Plan without counting the votes of any insiders within that class,
10 and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed
11 by "cramdown" on non-accepting classes, as discussed below.

12 **H. Votes Necessary for a Class to Accept the Plan.**

13 A class of claims is considered to have accepted the Plan when more than one-half (1/2) in
14 number and at least two-thirds (2/3) in dollar amount of the claims which actually voted on the plan,
15 voted in favor of the plan. A class of interests is considered to have "accepted" a plan when at least
16 two-thirds (2/3) in amount of the interest-holders of such class which actually voted on the plan,
17 voted to accept the plan.

18 **I. Treatment of Non-accepting Classes.**

19 As noted above, even if all impaired classes do not accept the Plan, the Bankruptcy Court
20 may nonetheless confirm the Plan if the non-accepting classes are treated in the manner required by
21 the Bankruptcy Code. The process by which non-accepting classes are forced to be bound by the
22 terms of a plan is commonly referred to as "cramdown." The Bankruptcy Code allows the Plan to be
23 "crammed down" on non-accepting classes of claims or interests if it meets all consensual
24 requirements except the voting requirements of § 1129(a)(8) and if the Plan does not "discriminate
25 unfairly" and is "fair and equitable" toward each impaired class that has not voted to accept the Plan
26 as referred to in § 1129(b) of the Bankruptcy Code and applicable case law.

27
28

1 **J. Request for Confirmation Despite Nonacceptance by Impaired Class(es).**

2 The Debtor will request the Bankruptcy Court to confirm the Plan by cramdown on impaired
3 classes if such classes do not vote to accept the Plan.

4 **K. Liquidation Analysis.**

5 Another confirmation requirement is the “Best Interest Test,” which requires a liquidation
6 analysis. Under the Best Interest Test, if a claimant or interest holder is in an impaired class and that
7 claimant or interest holder does not vote to accept the Plan, then that claimant or interest holder must
8 receive or retain under the Plan property of a value that is not less than the amount that such holder
9 would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

10 In a Chapter 7 case, the debtor’s assets are usually sold by a Chapter 7 trustee. Secured
11 creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien.
12 Administrative claims are paid next. Next, unsecured creditors are paid from any remaining sales
13 proceeds, according to their rights to priority. Unsecured creditors with the same priority share in
14 proportion to the amount of their allowed claim in relationship to the amount of total allowed
15 unsecured claims. Finally, interest holders receive the balance that remains after all creditors are
16 paid, if any.

17 For the Bankruptcy Court to be able to confirm the Plan, the Bankruptcy Court must find that
18 all creditors and interest holders who do not accept the Plan will receive at least as much under the
19 Plan as such holders would receive under a Chapter 7 liquidation of the Debtor. The Debtor
20 maintains that this requirement is clearly met.

21 The Debtor’s liabilities, including disputed liabilities, include in excess of \$20 million in
22 alleged Secured Claims, approximately \$162,000 in alleged Priority Unsecured Claims, and in
23 excess of \$73 billion¹² in alleged General Unsecured Claims.

24 The Debtor has therefore clearly satisfied the Best Interest Test for Class 6 Claim holders
25 (general unsecured creditors) because under the Plan, holders of Class 6 Allowed Claims will
26

27 ¹² One creditor filed a \$1.12 billion claim, which claim the Debtor intends on objecting to and which
28 the Debtor's books and records reflect will be allowed, at most, for \$14,000. Another creditor filed a
\$72 billion claim, which the Debtor intends on objecting to and which the Debtor’s books and
records reflect will not be more than \$32,000.

1 receive a pro rata distribution of at least \$3 million (estimated at between 10% to 30% of their
2 Allowed Claim), compared to receiving potentially nothing in a Chapter 7 liquidation of the Debtor.

3 Moreover, in a Chapter 7 case, the Chapter 7 trustee would be required to replace the
4 professionals currently employed by the Debtor's Estate with new professionals, which would
5 burden the Estate with additional substantial fees as the trustee and his/her professionals would need
6 to familiarize themselves with this case, and the Estate would bear the significant financial burden of
7 their learning curve. These additional expenses are avoided through the confirmation of the Plan.
8 Moreover, the Reorganized Debtor will make all Effective Date Distributions under the Plan at no
9 charge to the Estate and thereby avoid the substantial fees that would otherwise be payable to a
10 Chapter 7 trustee for making such disbursements pursuant to Section 326 of the Bankruptcy Code.

11 Attached hereto as **Exhibit C** is a liquidation analysis prepared by the Debtor and its advisors
12 (the "Liquidation Analysis"). The Liquidation Analysis depends on several estimates and
13 assumptions. Although developed and considered reasonable by the Debtor and the advisors of the
14 Debtor, the assumptions are inherently subject to significant economic, business, regulatory, and
15 competitive uncertainties and contingencies beyond the Debtor's control or its management. The
16 Liquidation Analysis is also based on the Debtor's best judgment of how numerous decisions in the
17 liquidation process would be resolved. Accordingly, there can be no assurance that the values
18 reflected in the Liquidation Analysis would be realized if the Debtor was, in fact, to undergo such
19 liquidation, and actual results could vary materially and adversely from those contained in the
20 Liquidation Analysis. Further, the Liquidation Analysis contains numerous estimates regarding the
21 Debtor's financial and operational performance between now and the conversion date, which is still
22 under review and subject to material change.

23 In preparing the Liquidation Analysis, the Debtor has preliminarily estimated an amount of
24 Allowed Claims for each indicated type of Claim. Secured claims were estimated as of the
25 conversion date. Additional Claims were estimated to include certain Chapter 7 administrative
26 obligations incurred after the Conversion Date. The estimate of all allowed claims in the Liquidation
27 Analysis is based on the scheduled and filed claim values and several illustrative placeholders. No
28 order or finding has been entered or made by the Court estimating or otherwise fixing the amount of

1 Claims at the projected amounts of Allowed Claims set forth in the Liquidation Analysis. The
2 estimate of the amount of Allowed Claims set forth in the Liquidation Analysis should not be relied
3 upon for any other purpose, including, without limitation, any determination of the value of any
4 distribution to be made on account of Allowed Claims under the Plan. The actual amount of Allowed
5 Claims could be materially different from the amount of Claims estimated in the Liquidation
6 Analysis.

7 The Liquidation Analysis demonstrates that in a piecemeal Chapter 7 liquidation, the worst-
8 case scenario would be that the liquidation proceeds would be less than the outstanding amount of
9 asserted secured claims. The best-case scenario is that General Unsecured Claims would receive a
10 pro rata distribution of 9.5% of their claims.

11 **% OF THEIR CLAIMS WHICH GENERAL UNSECURED CREDITORS WOULD**
12 **RECEIVE OR RETAIN IN A CHAPTER 7 LIQUIDATION: =0% to 9.5%**

13 **% OF THEIR CLAIMS WHICH GENERAL UNSECURED CREDITORS ARE**
14 **ESTIMATED TO RECEIVE OR RETAIN UNDER THE PLAN: = 10% to 30% Cash**

15 **L. Feasibility.**

16 Another requirement for confirmation involves the feasibility of the Plan, which means that
17 confirmation of the Plan is not likely to be followed by the liquidation, or the need for further
18 financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such
19 liquidation or reorganization is proposed in the Plan.

20 There are at least two important aspects of a feasibility analysis. The first aspect considers
21 whether the Debtor will have enough cash on hand on the Effective Date to pay all the claims and
22 expenses which are entitled to be paid on such date.

23 The Plan will be funded by the Exit Financing in the aggregate amount of the \$19.575
24 million Cash Contribution and the contribution or payment of FS DIP's secured claim of
25 approximately \$5.2 million by the New Equity Investor. Of this amount, the Reorganized Debtor
26 anticipates that it will require approximately \$700,000 for working capital to meet the Debtor's
27 operating needs, thereby reducing available funds to implement the Plan to \$24.075 million. Such
28 proceeds will be utilized as follows:

1	Administrative (Professional)	\$500,000 ¹³
	FS DIP Secured Claim	\$5,200,000 (estimate)
	LVDF Secured Claim	\$11,805,706.01 (reserve account)
2	Meacher Secured Claim	\$3,300,000 (reserve account)
	Lease/Contract Cures	\$0
3	Priority Claims	\$100,000 (estimate)
	Noticing Agent	\$125,000
4	Unsecured Claims	\$3,000,000 (reserve account)
	Miscellaneous	<u>\$50,000</u>
5	Total	\$24,080,706.01

6
7 Based on the foregoing, the Debtor is confident that sufficient funds will exist to make all required
8 Effective Date payments.

9 The second aspect considers whether the Reorganized Debtor will have enough cash over the
10 life of the Plan to make the required Plan payments. This is not applicable here because the Plan will
11 be fully funded by the Effective Date by the New Value Contribution.

12 As a condition to confirmation of a plan, the Bankruptcy Code requires, among other things,
13 that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation
14 or the need for further financial reorganization of the Debtor. In connection with the development of
15 the Plan, and for purposes of determining whether the Plan satisfies this feasibility standard, the
16 Debtor’s management has determined that based on the Debtor’s agreement with the New Equity
17 Investor and the New Value Contribution, the Reorganized Debtor will maintain sufficient liquidity
18 and capital resources to conduct its business subsequent to its emergence from this Chapter 11 Case.
19 The New Equity Investor has agreed to fund the Reorganized Debtor’s ongoing business operations
20 if necessary.

21 **VIII. AUCTION AND OVERBIDDING**

22 **Equity Interests of the Debtor**

23 Upon the Effective Date of the Plan, all equity interests in the Debtor will be eliminated and
24 consequently, the Debtor’s equity interest holders are conclusively deemed to reject the Plan. Also
25 upon the Effective Date of the Plan and subject to the allowance for overbidding as set forth herein,
26

27 _____
28 ¹³ Currently there is a discrepancy between the projected/estimated amount of Professional Fee
Claims and the amount available under the Plan for Professional Fee Claims which will have to be
resolved prior to Confirmation.

1 the New Equity Investor (previously defined as Nevada PF) will receive 100% of the New Equity
2 Interests in the Debtor (and all of the Debtor's Assets including all claims, if any, against the
3 Debtor's insiders) in exchange for the New Value Contribution to the Debtor's estate as follows: (a)
4 \$19.575 million in cash to fund the Plan including a \$3 million contribution to Class 6; (b) cause FS
5 DIP's approximately \$5.2 million secured claim to be contributed to the estate; and (c) offer all
6 existing members the benefits as set forth in **Exhibit B** hereto. It is currently estimated that the New
7 Value Contribution will total approximately \$24,775,000. In exchange for the New Value
8 Contribution, Nevada PF shall receive the New Equity Interests in the Reorganized Debtor, subject
9 to the allowance for overbidding as set forth herein.

10 In order to comply with the Bankruptcy Code and Ninth Circuit Court of Appeals case law,
11 the New Value Contribution must be: (1) new; (2) substantial; (3) money or money's worth; (4)
12 necessary for a successful reorganization; and (5) reasonably equivalent to the value of interest
13 received. Here, the New Value Contribution satisfies these requirements because the New Value
14 Contribution to be submitted: (1) constitutes new contributions; (2) is substantial; (3) is money or
15 money's worth; (4) is necessary for a successful reorganization; and (5) is equal to or greater than
16 the value to be received.

17 **Overbidding**

18 On the Effective Date, the Reorganized Debtor shall issue the New Equity Interests to
19 Nevada PF pursuant to the terms set forth herein and in the Plan. Under the Nevada PF bid, for tax-
20 related purposes, it may be necessary for the New Equity Interests to initially be transferred to the
21 old Equity Holders, with a subsequent transfer to a new holding company, and to make certain tax
22 filings, in each case prior to the Effective Date. The New Equity Interests to be issued to the New
23 Equity Investor will be issued without registration under the Securities Act or any similar federal,
24 state or local law in reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code.
25 The Debtor and the New Equity Investor or a Winning Bidder (defined below) may agree upon a
26 more efficient tax structure but it will not affect creditors recoveries.

27 Pursuant to the Plan, 100% of the Debtor's equity will be issued to the New Equity Investor
28 in exchange for the New Value Contribution. Persons interested in acquiring some or all of the New

1 Equity Interests of the Debtor must submit a Qualifying Bid (as defined herein) to the Debtor's
2 counsel **by 4:00 p.m., Prevailing Pacific Time, on or before November 4, 2022** (the "Initial Bid
3 Deadline"), unless such date is extended in the sole discretion of the Debtor and the New Equity
4 Investor, and in consultation with the Committee.

5 A bid received by the Debtor for the New Equity Interests shall constitute a "Qualifying Bid"
6 if such bid includes the following, in form and substance reasonably satisfactory to the Debtor: (i) a
7 fully executed definitive purchase agreement for the New Equity Interests which sets forth all
8 material terms and conditions of the proposed acquisition including, without limitation, the New
9 Equity Interests to be acquired, liabilities to be assumed and proposed consideration to be paid by
10 the bidder, and such other terms as the bidder deems appropriate (the "Definitive Agreement") in a
11 minimum bid amount of \$25,150,000, (ii) evidence that the bidder has the necessary authorizations
12 and approvals to engage in the transaction without the consent of any entity that has not already been
13 obtained; (iii) a cashier's check or wire transfer made payable to the Debtor in an amount equal to \$5
14 million (the "Deposit") and (iv) evidence that the bidder can consummate the proposed transactions.
15 Additionally, in order to constitute a "Qualifying Bid", (i) the transaction proposed by the Definitive
16 Agreement may not be conditioned on the outcome of unperformed due diligence and (ii) the
17 Definitive Agreement must describe the bidder's intention with respect to Executory Contracts
18 and/or Unexpired Leases of the Debtor in order for the assumption, assignment and/or rejection of
19 such Executory Contracts and Unexpired Leases to be timely effectuated under the Plan. Finally, in
20 order to be deemed a "Qualifying Bid" the Definitive Agreement must be accompanied by a letter
21 affirmatively: (i) setting forth a full disclosure of the identity of the bidder (and any other person(s)
22 subject to any agreement, arrangement or understanding with such bidder in connection with the
23 bid), the contact information for such bidder and full disclosure of any affiliates or insiders of the
24 Debtor involved in such bid; (ii) stating that the bidder is prepared to purchase the business
25 operations and New Equity Interests upon the terms and conditions set forth its Definitive
26 Agreement; (iii) summarizing the consideration proposed under the Definitive Agreement (i.e., cash
27 and assumed liabilities); (iv) stating the aggregate value of the proposed consideration (which
28 statement of value shall not be binding on the Debtor or the Bankruptcy Court, but which must be a

1 minimum of \$25,150,000); and (v) stating the form of Deposit (i.e., cashier's check or cash) made
2 by the bidder.

3 Each Definitive Purchase Agreement shall provide for: (i) the allocation of certain expenses
4 in connection with the purchase of the Debtor's New Equity Interests, including but not limited to
5 taxes, recording and title fees, title insurance costs and other similar expenses, and whether such
6 expenses shall be paid by the bidder or Debtor; and (ii) any specific due diligence period (which, if
7 any, will be very limited because of the timing in this case). The Debtor shall consider the allocation
8 of these expenses and the duration of the due diligence period when considering which bid is the
9 highest and best offer. Each Definitive Purchase Agreement, including the allocation of expenses
10 associated with the transaction and the duration of any due diligence period, shall be subject to
11 approval by the Bankruptcy Court.

12 Within 24 hours of the Initial Bid Deadline, the Debtor shall advise the Committee of any
13 bids received.

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

20 In the event one or more Qualified Bids are received, the Confirmation Hearing shall also
21 serve as an auction (the "Auction"), whereby Qualified Bidders may submit subsequent bids for the
22 New Equity Interests, provided (i) that the initial bid at the Auction must exceed Nevada PF's bid by
23 at least \$375,000.00,¹⁴ - for a minimum initial bid amount of \$25,150,000 (ii) each subsequent bid at
24 the Auction must exceed the previous bid by at least \$50,000.00 (the "Bidding Increment"), and (iii)
25 any Qualified Bidder which submits a subsequent bid at the Confirmation Hearing in excess of its
26

27 ¹⁴ 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 Qualifying Bid must provide evidence that it has the financial capability to purchase the New Equity
2 Interests at the new, higher purchase price as set forth in its subsequent bid. At the conclusion of the
3 Auction, the Bankruptcy Court (i) shall determine which bid constitutes the highest and best offer
4 and which bidder constitutes the winning bidder (respectively, the “Winning Bid” and the “Winning
5 Bidder”) and (ii) approve the Winning Bid at the Confirmation Hearing.

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

18 Notwithstanding the foregoing, the Bankruptcy Court may hear any aspect of the proposed
19 sale of the New Equity Interests, including, controversies relating to any bidders’ due diligence and
20 to challenge any determination made in connection therewith. In the event the Winning Bidder does
21 not close on the purchase of the New Equity Interests as set forth in such Winning Bidder’s
22 Definitive Agreement, the Debtor shall seek approval of the Definitive Agreement of the next
23 highest Qualified Bidders, until such time as a deal is finalized and the Plan is confirmed.

24 The Effective Date of the Plan shall not occur until the Winning Bidder completes all
25 obligations pursuant to the Definitive Purchase Agreement (as approved by the Bankruptcy Court)
26 including payment of the purchase price to the Debtor.
27
28

1 **IX. EFFECT OF CONFIRMATION OF THE PLAN**

2 **A. Discharge.**

3 On the Effective Date, the Debtor will receive a discharge under the Plan pursuant to and in
4 accordance with the provisions of § 1141 of the Bankruptcy Code because there has not been a
5 liquidation of all or substantially all of the property of the Debtor's Estate. Pursuant to §
6 1141(d)(1)(A), Confirmation of the Plan will discharge "the debtor from any debt that arose before
7 the date of such confirmation, and any debt of a kind specified in section 502(g), 502(h), or 502(i) of
8 this title, whether or not – (i) a proof of claim based on such debt is filed or deemed filed under
9 section 501 of this title; (ii) such claim is allowed under section 502 of this title; or (iii) the holder of
10 such claim has accepted the plan ...". 11 U.S.C. §§ 1141(d)(1)(A)(i), (ii) and (iii). **In other words,**

11 **Confirmation of the Plan will effectuate a discharge as to all debts or liabilities, whether**
12 **contingent, unliquidated, disputed, known or unknown, that were incurred or arose before**
13 **Confirmation of the Plan.** This includes all types of Claims and obligations arising out of and/or
14 including, but not limited to, (i) all causes of action under state and Federal law (e.g., breach of
15 contract, breach of fiduciary duty, etc.), (ii) trade payables, (iii) landlord claims, (iv) tax Claims
16 including interest, (v) environmental claims, (vi) employee related claims and (vii) any other known
17 or unknown Claim from any debt arising prior to Plan Confirmation.

18 **The Plan shall bind the holders of all Claims whether or not they vote to accept the**
19 **Plan. The rights afforded in the Plan and the treatment of all Claims therein shall be in**
20 **complete satisfaction, discharge and release of all Claims against the Debtor or its Assets of**
21 **any nature whatsoever except as otherwise specifically provided in the Plan. Except as set**
22 **forth in the Plan, all Claims shall be forever satisfied, discharged and released in full on the**
23 **Effective Date, and all holders of Claims shall be forever precluded and enjoined from**
24 **asserting Claims against the Reorganized Debtor. Any litigation pending prepetition and/or**
25 **initiated postpetition in any court other than the Bankruptcy Court where relief from stay was**
26 **not obtained from the Bankruptcy Court shall be deemed discharged upon Plan Confirmation**
27 **and the occurrence of the Effective Date.**
28

1 **B. Continuing Stay/Injunction.**

2 The automatic stay is lifted upon the Effective Date as to property of the Estate. However,
3 the stay continues to prohibit collection or enforcement of prepetition Claims against the
4 Reorganized Debtor or the Reorganized Debtor's property until the earlier of the date: (1) the
5 Debtor's bankruptcy Case is closed, or (2) the Debtor's bankruptcy Case is dismissed. Therefore, all
6 parties bound by the Plan shall take no action with respect to, and are enjoined from, collecting or
7 enforcing their prepetition Claims against the Reorganized debtor as set forth herein, and as
8 otherwise provided by operation of law, until the earlier of the date that (1) the Debtor's bankruptcy
9 Case is closed, or (2) the Debtor's bankruptcy Case is dismissed.

10 **The Confirmation Order shall enjoin the prosecution, whether directly, derivatively or**
11 **otherwise, of any Claim, obligation, suit, judgment, damage, demand, debt, right, cause of**
12 **action, liability or interest released, discharged or terminated pursuant to the Plan.**

13 Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all
14 entities that have held, currently hold or may hold a Claim or other debt or liability that is discharged
15 or an interest or other right of an equity holder that is impaired pursuant to the terms of the Plan are
16 permanently enjoined from taking any of the following actions against the Debtor, the Debtor's
17 Estate, the Reorganized Debtor or its property on account of any such discharged Claims, debts or
18 liabilities or terminated interests or rights: (i) commencing or continuing, in any manner or in any
19 place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any
20 manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or
21 encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any
22 debt, liability or obligation due to the Debtor; and (v) commencing or continuing any action in any
23 manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

24 **By accepting distribution pursuant to the Plan, each holder of an Allowed Claim**
25 **receiving a Distribution pursuant to the Plan will be deemed to have specifically consented to**
26 **the injunctions set forth in this Section.**

1 **C. Revesting of Property in the Reorganized Debtor.**

2 Except as provided elsewhere in the Plan, the Confirmation of the Plan revests all property of
3 the Debtor's Estate in the Reorganized Debtor, including, but not limited to, any Litigation Claims
4 and the LVDF Litigation pursuant to the Plan and the Bankruptcy Code. From and after the
5 Effective Date, the Reorganized Debtor may operate its business and may use, acquire, and dispose
6 of property, including payment of all business expenses and professional fees and expenses, and
7 compromise and settle any claims or causes of actions without supervision or consent of the
8 Bankruptcy Court, and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

9 The Reorganized Debtor shall have, retain, reserve and be entitled to assert all claims, causes
10 of action, rights of setoff and other legal or equitable defenses that the Debtor had immediately prior
11 to the Petition Date as fully as if the Debtor's bankruptcy Case had not been commenced; and all of
12 the Reorganized Debtor's legal and equitable rights respecting any such claims which are not
13 specifically waived, extinguished, or relinquished by the Plan may be asserted after the Effective
14 Date by the Reorganized Debtor.

15 **D. Modification of the Plan.**

16 The Debtor may modify the Plan at any time before confirmation. However, the Bankruptcy
17 Court may require a new disclosure statement and/or re-voting on the Plan if the Debtor modifies the
18 Plan before confirmation. The Debtor or the Reorganized Debtor, as the case may be, may also seek
19 to modify the Plan at any time after Confirmation of the Plan so long as (1) the Plan has not been
20 substantially consummated, and (2) the Bankruptcy Court authorizes the proposed modifications
21 after notice and a hearing.

22 **E. Post-Confirmation Status Reports.**

23 Until a final decree closing the Debtor's Chapter 11 Case is entered, the Reorganized Debtor
24 shall file regular status reports if so ordered by the Court.

25 **F. Post-Confirmation Conversion/Dismissal.**

26 A Creditor or any other party in interest may bring a motion to convert or dismiss the Case
27 under § 1112(b) of the Bankruptcy Code after the Plan is confirmed if there is a default in
28 performing the Plan. If the Bankruptcy Court orders the Case converted to chapter 7 after the Plan is

1 confirmed, then all property that had been property of the chapter 11 Estate, and that has not been
2 disbursed pursuant to the Plan, will revert in the chapter 7 estate, and the automatic stay will be re-
3 imposed upon the revested property, but only to the extent that relief from stay was not previously
4 authorized by the Bankruptcy Court during this Case. The Plan Confirmation Order may also be
5 revoked under very limited circumstances. The Bankruptcy Court may revoke the Plan
6 Confirmation Order if it was procured by fraud and if a party in interest brings an adversary
7 proceeding to revoke confirmation within 180 days after the entry of the Plan Confirmation Order.

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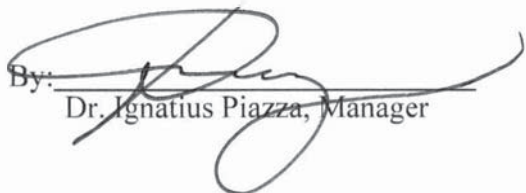
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1 **G. Final Decree.**

2 Once the estate has been fully administered as referred to in Bankruptcy Rule 3022, the
3 Reorganized Debtor shall file a motion with the Bankruptcy Court to obtain a final decree to close
4 this case. The Reorganized Debtor shall be responsible for the timely payment of all fees incurred
5 pursuant to 28 U.S.C. § 1930(a)(6).

6 Dated: October 3, 2022

Front Sight Management LLC

7
8 
9 By: _____
10 Dr. Ignatius Piazza, Manager

11 Submitted By:

12 BG Law LLP

13
14 By: /s/ Susan K. Seflin
15 Steven T. Gubner
16 Susan K. Seflin
17 Jessica S. Wellington
18 Attorneys for Chapter 11 Debtor
19 and Plan Proponent
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EXHIBIT A

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
HIATT, BRIAN	32165124	1-1	5/26/2022	--	\$ 1,500	--	\$ -	\$ 1,500	Yes
HANCOCK, JOHN	32165143	2-1	5/26/2022	--	--	--	\$ 5,000	\$ 5,000	Yes
LORENZ, BRIAN	32165145	3-1	5/26/2022	--	--	--	\$ 12,000	\$ 12,000	Yes
GRANT, JAMES	32165147	4-1	5/26/2022	--	--	--	\$ 1,997	\$ 1,997	Yes
SWAIM, BRETT	32165149	5-1	5/26/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
BOLANOS, EDGAR R.	32165150	6-1	5/26/2022	--	--	--	\$ 60,000	\$ 60,000	Yes
DICKERSON, KIMBERLY KLEIN	32165151	7-1	5/26/2022	--	--	--	\$ -	\$ -	TBD
SHOCKLEY, ELIZABETH	32165152	25-1	5/27/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
AVANT, IRA M. [AVANT, MIKE]	32165155	8-1	5/26/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
CAMPBELL, JUSTIN	32165157	9-1	5/27/2022	--	--	--	\$ -	\$ -	TBD
CONWAY, KEVIN	32165159	10-1	5/27/2022	--	--	--	\$ 60,900	\$ 60,900	Yes
TAYLOR, DAVID [ARTESIA AT HAFEN RANCH]	32165160	11-1	5/27/2022	--	--	--	\$ 1,899	\$ 1,899	
MILLER, DR. GARY P.	32165161	12-1	5/27/2022	--	--	--	\$ 21,471,000	\$ 21,471,000	Yes
JONES, MARIELLE C.	32165163	30-1	5/27/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
DIALS, WILLIAM W.	32165164	18-1	5/27/2022	--	--	--	\$ 994	\$ 994	
BARBER, SEAN	32165166	19-1	5/27/2022	--	--	--	\$ 6,000	\$ 6,000	Yes
GOIT, NICK	32165170	22-1	5/27/2022	--	--	--	\$ 1,099	\$ 1,099	Yes
CLEMENTS, SHAUN	32165173	16-1	5/27/2022	--	--	--	\$ 1,800	\$ 1,800	Yes
KISSEE, ANDREW	32165176	13-1	5/27/2022	--	--	--	\$ 60,000	\$ 60,000	Yes
BALDWIN, PATRICK	32165177	37-1	5/27/2022	--	--	--	\$ 500	\$ 500	Yes
SHOCKLEY, KENNETH	32165178	21-1	5/27/2022	--	--	--	\$ 18,500	\$ 18,500	Yes
GREEN, BRANDON A.	32165179	36-1	5/27/2022	--	--	--	\$ 3,997	\$ 3,997	Yes
SHOCKLEY, JENNIFER	32165180	23-1	5/27/2022	--	--	--	\$ 10,000	\$ 10,000	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
JONES, MAVERICK T.	32165183	29-1	5/27/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
LEWIS, DAVID CLYDE	32165184	20-1	5/27/2022	--	--	--	\$ 2,991,000	\$ 2,991,000	Yes
JONES, HEATHER M.	32165185	28-1	5/27/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
MARZ, RICHARD F.	32165186	14-1	5/27/2022	--	--	--	\$ 22,074	\$ 22,074	Yes
OWENS, JESSE	32165187	39-1	5/27/2022	--	--	--	\$ 300	\$ 300	Yes
GREENLIEF, MARTY	32165190	15-1	5/27/2022	--	\$ 2,800	--	\$ -	\$ 2,800	Yes
MCCARTHY, DAVID C.	32165191	38-1	5/27/2022	--	--	--	\$ 2,020	\$ 2,020	Yes
NUNLEY, DAVID	32165193	34-1	5/27/2022	--	--	--	\$ 2,250	\$ 2,250	
VOGELER, TYSON J.	32165194	17-1	5/27/2022	--	--	--	\$ 8,894	\$ 8,894	
WERTH, BRIAN	32165195	40-1	5/27/2022	--	--	--	\$ 1,200	\$ 1,200	Yes
JONES, KIERSTEN E.	32165197	32-1	5/27/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
JONES, DAVID C.	32165198	27-1	5/27/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
STARR, JAMIE	32165199	24-1	5/27/2022	--	--	--	\$ 900	\$ 900	
BONK, JOSEPH	32165201	26-1	5/27/2022	--	--	--	\$ -	\$ -	TBD
ALTENBACH, MARIA M. [VARGAS, MARIA M.]	32165202	33-1	5/27/2022	--	--	--	\$ -	\$ -	TBD
SHORT, GARY	32165204	31-1	5/27/2022	--	--	--	\$ 104,000	\$ 104,000	Yes
MALONE, PETER THEODORE	32165208	35-1	5/27/2022	--	--	--	\$ 5,000	\$ 5,000	Yes
MULLEN, JACK WILSON	32165209	41-1	5/27/2022	--	--	--	\$ 550	\$ 550	
HANSEN, CHESTER	32165210	42-1	5/27/2022	--	--	--	\$ 2,397	\$ 2,397	Yes
CISCO, ERIC	32165213	43-1	5/27/2022	--	--	--	\$ 7,500	\$ 7,500	Yes
LEWIS, GUY	32165215	44-1	5/27/2022	--	\$ 5,289	--	\$ -	\$ 5,289	Yes
PAGE, SCOTT	32165216	45-1	5/27/2022	--	--	--	\$ 1,966	\$ 1,966	
BOSS, SARAH [TAYLOR, SARAH]	32165219	46-1	5/27/2022	--	--	--	\$ 4,500	\$ 4,500	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
MIERS, JUDSON	32165221	47-1	5/27/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
SCHNEIDER, RICHARD F.	32165223	48-1	5/27/2022	--	--	--	\$ 8,500	\$ 8,500	
LEVY, BRIAN	32165234	75-1	5/30/2022	--	--	--	\$ 53,000	\$ 53,000	Yes
LINVILLE, SAM	32165236	74-1	5/30/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
VOTH, NICHOLAS	32165240	73-1	5/29/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
KOCSIS, KAREENA	32165243	58-1	5/27/2022	--	--	--	\$ 300	\$ 300	Yes
KOCSIS, KRISHAN	32165244	57-1	5/27/2022	--	--	--	\$ 300	\$ 300	Yes
RAVEN, GREG	32165245	52-1	5/27/2022	--	--	--	\$ 11,975	\$ 11,975	Yes
MOERCH, JOHN	32165246	62-1	5/28/2022	--	--	--	\$ 600	\$ 600	Yes
SMITH, KENNETH	32165247	56-1	5/27/2022	--	--	--	\$ 5,000	\$ 5,000	Yes
LEHMAN, DOUGLAS R	32165248	72-1	5/29/2022	--	\$ 997	--	\$ -	\$ 997	Yes
JENSEN, SANDRA D	32165249	66-1	5/28/2022	--	--	--	\$ 6,000	\$ 6,000	Yes
DEMPSEY, JACOB	32165251	63-1	5/28/2022	--	--	--	\$ 200	\$ 200	Yes
REILLEY, VICTOR	32165252	61-1	5/27/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
KAUFMANN, RUSSELL	32165253	60-1	5/27/2022	--	--	--	\$ 997	\$ 997	
DAVIDSON, PAUL	32165254	71-1	5/28/2022	--	--	--	\$ 15,000	\$ 15,000	Yes
HOWSON, MARK	32165256	54-1	5/27/2022	--	\$ 8,475	--	\$ 2,639	\$ 11,114	Yes
KOTZ, DAVID JACOBS	32165257	70-1	5/28/2022	--	--	--	\$ 3,000	\$ 3,000	Yes
TANNER, NICHOLAS	32165259	68-1	5/28/2022	--	--	--	\$ 400	\$ 400	
MCCANN, BARRY	32165262	65-1	5/28/2022	--	--	--	\$ 4,000	\$ 4,000	Yes
PASSARETTI, PETER	32165265	64-1	5/28/2022	--	--	--	\$ 3,444	\$ 3,444	Yes
ALLISON, DANIEL	32165267	51-1	5/27/2022	--	--	--	\$ 128,000	\$ 128,000	
WOOTEN, STEVEN	32165268	49-1	5/27/2022	--	--	--	\$ 13,400	\$ 13,400	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
KUTZ, JAMES CHARLES	32165270	59-1	5/27/2022	--	--	--	\$ 9,100	\$ 9,100	Yes
KOCSIS, SANGITA	32165271	55-1	5/27/2022	--	--	--	\$ 500	\$ 500	Yes
KOCSIS, STEVEN	32165273	53-1	5/27/2022	--	--	--	\$ 2,000	\$ 2,000	Yes
SKINNER, KIRK CHRISTOPHER	32165280	50-1	5/27/2022	--	--	--	\$ 5,000	\$ 5,000	Yes
BLAKE, KEITH A	32165302	67-1	5/28/2022	--	--	--	\$ 5,994	\$ 5,994	Yes
HILTON, STANLEY	32165305	69-1	5/28/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
HILTON, STANLEY	32165343	69-1	5/28/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
SHORT, GARY	32165344	78-1	5/31/2022	--	--	--	\$ 104,000	\$ 104,000	Yes
GENOVA, RONALD [RGEP LLC]	32165347	76-2	6/1/2022	--	--	--	\$ 70,000	\$ 70,000	Yes
MOORE, MICHAEL E.	32165349	77-1	6/1/2022	--	--	--	\$ -	\$ -	TBD
GENOVA, RONALD [RGEP LLC]	32165350	76-1	5/31/2022	--	--	--	\$ 70,000	\$ 70,000	Yes
BLAKE, KEITH A	32165351	67-1	5/28/2022	--	--	--	\$ 5,994	\$ 5,994	Yes
SHEEDER, WILLIAM	32165507	95-1	6/3/2022	--	--	--	\$ 3,536,400	\$ 3,536,400	Yes
HICKS, GEOFFREY	32165508	79-1	6/2/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
BADART, ROBIN	32165509	86-1	6/3/2022	--	--	--	\$ 5,000	\$ 5,000	Yes
SAXTON, JOHN	32165511	87-1	6/3/2022	--	--	--	\$ 250	\$ 250	
HICKS, MARYANN	32165512	80-1	6/2/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
HICKS, ANGELA	32165514	81-1	6/2/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
DESLAURIERS, MICHEL	32165516	82-1	6/2/2022	--	--	--	\$ 4,410	\$ 4,410	Yes
SHORT, NATHANIEL	32165519	88-1	6/3/2022	--	--	--	\$ 100,250	\$ 100,250	Yes
WILLIS, MICHAEL	32165522	93-1	6/3/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
SHORT, ELI	32165523	90-1	6/3/2022	--	--	--	\$ 100,250	\$ 100,250	Yes
GREENSTEIN, STEVEN	32165525	83-1	6/3/2022	--	--	--	\$ 2,500	\$ 2,500	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
DEMPSEY, LUKE	32165526	92-1	6/3/2022	--	--	--	\$ 3,045	\$ 3,045	
HARTZELL, STEVEN	32165528	89-1	6/3/2022	--	--	--	\$ 9,300	\$ 9,300	
NEWBERRY, MICHAEL	32165529	91-1	6/3/2022	--	--	--	\$ 500	\$ 500	Yes
LANGIANO, MICHAEL	32165530	85-1	6/3/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
WILLIS, LINDSEY M.	32165531	94-1	6/3/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
CURTIS, BRIAN [CURTIS, RICK]	32165534	84-1	6/3/2022	--	--	--	\$ 3,400	\$ 3,400	Yes
WAGGONER, ROBERT [WAGGONER, ROB]	32165535	96-1	6/3/2022	--	--	--	\$ 21,646	\$ 21,646	Yes
O'ROURKE, CAMERON	32165543	97-1	6/3/2022	--	--	--	\$ 8,000	\$ 8,000	Yes
MACER, DAVID	32165571	103-1	6/4/2022	--	--	--	\$ 2,000	\$ 2,000	Yes
WEINTRAUB, MATTHEW	32165573	107-1	6/4/2022	--	--	--	\$ 2,000	\$ 2,000	
ZAFERIS, DENNIS	32165574	114-1	6/6/2022	--	--	--	\$ 2,500	\$ 2,500	Yes
WELLS, SHANNON L.	32165575	113-1	6/5/2022	--	--	--	\$ 500	\$ 500	Yes
POZAR, JOHN	32165577	105-1	6/4/2022	--	--	--	\$ 2,500	\$ 2,500	Yes
SMITH, STUART	32165578	112-1	6/5/2022	--	--	--	\$ 1,740	\$ 1,740	Yes
YELTON, JODIE	32165580	99-1	6/3/2022	--	--	--	\$ 12,997	\$ 12,997	Yes
PENDLEY, LEMAN W	32165581	98-1	6/3/2022	--	--	--	\$ 50,000	\$ 50,000	Yes
NUNES, TREVOR	32165583	108-1	6/4/2022	--	--	--	\$ 1,000	\$ 1,000	
OSWALD, FRAN	32165584	100-1	6/4/2022	--	--	--	\$ 3,600	\$ 3,600	Yes
RUTH, CHARLES	32165585	104-1	6/4/2022	--	--	--	\$ 6,874	\$ 6,874	
MILLIGAN, LARRY	32165587	111-1	6/5/2022	--	--	--	\$ 8,096	\$ 8,096	
NESSEN, STEVEN	32165588	109-1	6/4/2022	--	--	\$ 5,000	\$ -	\$ 5,000	Yes
JANZ, DAWN	32165589	106-1	6/4/2022	--	--	--	\$ 3,000	\$ 3,000	Yes
KINNEY, GARY	32165590	110-1	6/5/2022	--	--	--	\$ 18,000	\$ 18,000	

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
OSWALD, STANLEY	32165591	102-1	6/4/2022	--	--	--	\$ 3,600	\$ 3,600	Yes
OSWALD, FRAN	32165592	101-1	6/4/2022	--	--	--	\$ 3,600	\$ 3,600	
AYERS, THOMAS	32165600	115-1	6/6/2022	--	--	--	\$ 38,403	\$ 38,403	
BRIGGS, ROBERT	32165610	116-1	6/6/2022	--	--	--	\$ 2,500	\$ 2,500	
WALKER, WILLIAM	32165621	117-1	6/6/2022	--	--	--	\$ 500	\$ 500	
DEWOLF, HARRY	32165624	119-1	6/6/2022	--	--	--	\$ 83,892	\$ 83,892	Yes
SCHMIDT, MICHAEL	32165625	118-1	6/6/2022	--	--	--	\$ 99,199	\$ 99,199	
PALL, NICHOLAS	32165628	122-1	6/6/2022	--	--	--	\$ 475	\$ 475	
DOGGETT, TYLER [DOGGETT, CHRISTOPHER TYLER]	32165629	123-1	6/6/2022	--	\$ 1,997	--	\$ -	\$ 1,997	Yes
LAUDER JR., ROBERT ENRIGHT	32165630	120-1	6/6/2022	--	--	--	\$ 1,150	\$ 1,150	
ROBERTS, KELLY [BRILL, KELLY]	32165631	121-1	6/6/2022	--	--	--	\$ -	\$ -	TBD
ASTRELLA, JR., TRIN	32165633	124-1	6/7/2022	--	--	--	\$ 1,500	\$ 1,500	Yes
ZIPPERMAN, STEVE	32165638	125-1	6/7/2022	--	--	--	\$ 550	\$ 550	Yes
PRICE, PAUL	32165639	126-1	6/7/2022	--	--	--	\$ 401	\$ 401	
SEAVEY, MATTHEW	32165640	127-1	6/7/2022	--	--	--	\$ 80,000	\$ 80,000	Yes
SMITH, CHRISTOPHER [SMITH, CHRIS]	32165645	128-1	6/7/2022	--	--	--	\$ 1,000	\$ 1,000	
BRUSSEAU, MICHAEL	32165646	129-1	6/7/2022	--	--	--	\$ 9,900	\$ 9,900	Yes
PETERSON, STEVEN C	32165650	130-1	6/8/2022	--	--	--	\$ 12,000	\$ 12,000	Yes
SHPAK, IGOR	32165652	131-1	6/8/2022	--	--	--	\$ 3,900	\$ 3,900	Yes
RAUSCH, ANDREA [RAUSCH, ANDI]	32165667	132-1	6/8/2022	--	--	--	\$ 68,800	\$ 68,800	Yes
RAUSCH, JEFF	32165668	133-1	6/8/2022	--	--	--	\$ 60,000	\$ 60,000	Yes
TUCKER, MICHAEL LYNDEN	32165669	134-1	6/8/2022	--	--	--	\$ 1,237	\$ 1,237	
TUCKER, GERALDINE	32165671	135-1	6/8/2022	--	--	--	\$ 499	\$ 499	

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
HUFFMAN, BRAD	32165677	136-1	6/8/2022	--	--	--	\$ 500	\$ 500	Yes
RAVEN, GREG	32165679	137-1	6/9/2022	--	--	--	\$ 11,975	\$ 11,975	Yes
VAN LANDINGHAM, FRANCIS	32165691	138-1	6/9/2022	--	--	--	\$ 600,000	\$ 600,000	Yes
WELITZKIN, MARK	32165699	139-1	6/9/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
CUTAIA, MARY	32165701	140-1	6/9/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
ARMSCOR PRECISION INTERNATIONAL	32165702	141-1	6/10/2022	--	--	--	\$ 100,000	\$ 100,000	
EVANS, MARAYA TAMARA	32165798	142-1	6/13/2022	--	--	--	\$ 4,800	\$ 4,800	Yes
EVANS, CHARLES	32165800	143-1	6/13/2022	--	--	--	\$ 4,800	\$ 4,800	Yes
LITTLE, JACK KIM	32165811	144-1	6/14/2022	--	--	--	\$ 1,249	\$ 1,249	Yes
ENINGER, LARRY	32165822	145-1	6/14/2022	--	--	--	\$ 650	\$ 650	
FORMAN, PATRICIA	32165827	146-1	6/14/2022	--	--	--	\$ -	\$ -	Yes
FORMAN, PATRICIA	32165829	146-2	6/14/2022	--	--	--	\$ 3,342	\$ 3,342	
OLSON, GREGGORY [OLSON, GREGG M]	32166809	147-1	6/15/2022	--	--	--	\$ 18,761	\$ 18,761	
GILLOGLY, RICHARD & THERESA	32166868	148-1	6/16/2022	--	--	--	\$ 24,000	\$ 24,000	
BOLANOS, EDGAR R.	32169871	6-2	6/17/2022	--	--	--	\$ 250,000	\$ 250,000	Yes
DESLAURIERS, MICHEL	32169991	82-2	6/18/2022	--	--	--	\$ 4,410	\$ 4,410	Yes
CRAWFORD, MICHAEL	32169992	149-1	6/19/2022	--	--	--	\$ 250	\$ 250	
STATE OF NEVADA DEPARTMENT OF TAXATIO	32169999	150-1	6/20/2022	--	\$ 153,009	--	\$ 3,884	\$ 156,893	Yes
LEAFE, GREGORY A.	32170001	151-1	6/20/2022	--	--	--	\$ 250,000	\$ 250,000	Yes
DENSMORE, DARRELL	32170002	152-1	6/21/2022	--	--	--	\$ 840	\$ 840	Yes
PASSARETTI, PATRICIA M.	32170003	153-1	6/21/2022	--	--	--	\$ 60,000	\$ 60,000	Yes
FRONT SIGHT MANAGEMENT LLC	32170005	154-1	6/21/2022	--	--	--	\$ 104,000	\$ 104,000	Yes
CARR, STEVEN	32170077	156-1	6/21/2022	--	--	--	\$ 16,361	\$ 16,361	

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
DAWKINS, GARY	32170078	157-1	6/21/2022	--	--	--	\$ 1,500	\$ 1,500	
MECKLENBURG, JOHN	32170079	155-1	6/21/2022	--	\$ 1,397	--	\$ 1,397	\$ 2,794	Yes
ENGLAND, PAUL	32170081	158-1	6/21/2022	--	--	--	\$ 500	\$ 500	
ROSEN, ROBERT	32170083	159-1	6/21/2022	--	--	--	\$ 77,750	\$ 77,750	Yes
KAUFFMAN, MICHAEL P [KAUFFMAN, MIKE]	32170084	160-1	6/21/2022	--	--	--	\$ 25,000	\$ 25,000	Yes
PAHRUMP VALLEY DISPOSAL INC.	32170090	161-1	6/22/2022	--	--	--	\$ 1,208	\$ 1,208	
STONE, ROBERT	32170092	164-1	6/22/2022	--	--	--	\$ 7,000	\$ 7,000	
DOUTY, CHRISTOPHER [DOUTY, KRISTIN S.; DC	32170093	163-1	6/22/2022	--	--	--	\$ 152,435	\$ 152,435	
JOE'S SANITATION	32170094	162-1	6/22/2022	--	--	--	\$ 2,452	\$ 2,452	
WOODFORD, WILLIAM HENRY	32170099	165-1	6/16/2022	--	--	--	\$ 7,979	\$ 7,979	
STETSON, MARK	32170100	166-1	6/22/2022	--	--	--	\$ 4,272	\$ 4,272	
LEWIS, JOHN G [LEWIS, DANIEL J]	32170191	167-1	6/22/2022	--	--	--	\$ 2,500	\$ 2,500	
FOLMER, DAVID A	32170193	168-1	6/23/2022	--	--	--	\$ 400	\$ 400	Yes
LOGIE, BRUCE	32170194	169-1	6/23/2022	--	--	--	\$ 422,809	\$ 422,809	Yes
BOYADJIEFF, KIRIL P.	32170205	170-1	6/23/2022	--	--	--	\$ 20,000	\$ 20,000	Yes
WAGGONER, ROBERT [WAGGONER, ROB]	32170206	171-1	6/23/2022	--	--	--	\$ 21,646	\$ 21,646	Yes
WAGGONER, ROBERT [WAGGONER, ROB]	32170207	171-2	6/23/2022	--	--	--	\$ 21,646	\$ 21,646	Yes
AMIN TALATI WASSERMAN	32170211	172-1	6/24/2022	--	--	--	\$ 82,380	\$ 82,380	
JOHNSON, TIMOTHY	32170216	173-1	6/27/2022	--	--	--	\$ -	\$ -	TBD
LEWIS, THOMAS M.	32170257	175-1	06/24/2022	--	--	--	\$ 600	\$ 600	
LENNON, JOHN J.	32170258	174-1	06/28/2022	--	--	--	\$ 3,000	\$ 3,000	Yes
ADAMS, TIMOTHY SR	32170259	176-1	06/28/2022	--	--	--	\$ 3,213	\$ 3,213	
OLTMANN, MICHAEL	32177694	177-1	07/05/2022	--	--	--	\$ 1,976	\$ 1,976	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
FAULK, RICHARD	32177695	178-1	07/05/2022	--	--	--	\$ 12,000	\$ 12,000	Yes
DEPARTMENT OF TREASURY - INTERNAL REVE	32178617	179-1	07/06/2022	--	\$ 500	--	\$ 160,529	\$ 161,029	
MOORE, LILLIAN	32180170	180-1	07/11/2022	--	\$ 1,997	--	\$ -	\$ 1,997	Yes
MOORE, JEFFREY	32180171	181-1	07/11/2022	--	\$ 1,997	--	\$ -	\$ 1,997	Yes
TRUBEE, MICHAEL	32180172	182-1	07/12/2022	--	--	--	\$ 800	\$ 800	Yes
MORRISON, ROBERT [MORRISON, BOB]	32180173	183-1	07/12/2022	--	--	--	\$ 13,309,899	\$ 13,309,899	Yes
MORRISON, BIRDIE CAROL [MORRISON, CARO	32180174	184-1	07/12/2022	--	--	--	\$ 13,110,084	\$ 13,110,084	Yes
WILLIAMS SCOTSMAN INC [ACTON, MODSPAC	32180269	185-1	07/12/2022	--	--	--	\$ 728	\$ 728	
MCCLOUD, JEFFREY	32180352	186-1	07/12/2022	--	--	--	\$ 1,995	\$ 1,995	
MCCLOUD, KATHY	32180355	187-1	07/12/2022	--	--	--	\$ 104,000	\$ 104,000	Yes
FINKELSEN, KENT	32180357	188-1	07/12/2022	--	--	--	\$ 19,960	\$ 19,960	
LACY, RODERICK	32181011	189-1	07/14/2022	--	--	--	\$ 48,000	\$ 48,000	
CASTAGNO, JOHN	32183360	190-1	07/16/2022	--	--	--	\$ 27,301,777	\$ 27,301,777	Yes
SPEIGHT, KEVIN	32183361	191-1	07/17/2022	--	--	--	\$ -	\$ -	TBD
REID, ROGER	32184018	192-1	07/18/2022	--	--	--	\$ 7,950	\$ 7,950	
PETERSEN, GUY	32184024	193-1	07/18/2022	--	--	--	\$ 108,079	\$ 108,079	Yes
MATTICK, JENNETTA	32184028	194-1	07/18/2022	--	--	--	\$ -	\$ -	TBD
DICKERSON, KIMBERLY KLEIN	32354221	195-1	07/19/2022	--	--	--	\$ -	\$ -	TBD
CALL & JENSEN LAW	32354223	196-1	07/22/2022	--	--	--	\$ 77,873	\$ 77,873	
O'REILLY, TERENCE	32354225	197-1	07/25/2022	--	--	--	\$ 50,000	\$ 50,000	Yes
M2 EPC, INC. DBA M2 ENGINEERING PROCUR	32354743	198-1	07/26/2022	--	--	\$ 146,993	\$ -	\$ 146,993	
SAMPSON, ERIC H	32400668	199-1	07/26/2022	--	--	--	\$ 1,912,570	\$ 1,912,570	Yes
SAMPSON, ERIC H	32400803	199-2	07/26/2022	--	--	--	\$ 1,912,573	\$ 1,912,573	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
RAVEN, GREG	32400804	200-1	07/27/2022	--	--	--	\$ 12,042	\$ 12,042	Yes
MCKENZIE, RYAN	32401260	201-1	7/28/2022	--	--	--	\$ -	\$ -	TBD
TARDY, CATHERINE	32403864	204-1	7/28/2022	--	\$ 3,350	--	\$ 78,863	\$ 82,213	Yes
BERKSHIRE, WILLIAM	32403875	205-1	7/28/2022	--	--	--	\$ 449	\$ 449	
KENSEL, BRIAN	32403878	207-1	7/28/2022	--	--	--	\$ 419	\$ 419	Yes
TINSLEY, RICK	32403883	208-1	7/28/2022	--	--	--	\$ 1,653	\$ 1,653	
TRIPP, ISAAC	32403885	209-1	7/28/2022	--	--	--	\$ 1,454	\$ 1,454	
TALLMAN, STEVE	32403888	211-1	7/28/2022	--	--	--	\$ 6,000	\$ 6,000	
ARRINGTON, STEPHEN	32403893	210-1	7/28/2022	--	--	--	\$ 23,933	\$ 23,933	
CONFIDENTIAL CREDITOR	32403897	206-1	7/28/2022	--	--	--	\$ 250	\$ 250	Yes
PARKER, THOMAS BRENT	32403906	203-1	7/28/2022	--	--	--	\$ 2,340	\$ 2,340	
SHERLOCK, TIMOTHY	32403914	202-1	7/28/2022	--	--	--	\$ 1,997	\$ 1,997	Yes
MANTIN, RICHARD	32408239	212-1	7/29/2022	--	--	--	\$ 34,689	\$ 34,689	
FECZKO, WILLIAM	32408244	213-1	8/1/2022	--	--	--	\$ 48,000	\$ 48,000	
FECZKO, WILLIAM	32408250	214-1	8/1/2022	--	--	--	\$ -	\$ -	TBD
Dean L. Scott	32408253	215-1	8/1/2022	--	--	--	\$ -	\$ -	TBD
Dean L. Scott	32408258	216-1	8/1/2022	--	--	--	\$ -	\$ -	TBD
HARRISS, JAMES	32408260	217-1	8/1/2022	--	\$ 625	--	\$ 360,066	\$ 360,691	Yes
RORE, JAMES	32408264	218-1	8/1/2022	--	--	--	\$ 9,400	\$ 9,400	Yes
KUAN, RICHARD	32409506	219-1	8/2/2022	--	--	--	\$ -	\$ -	TBD
Ward Stringham	32409512	220-1	8/2/2022	--	--	--	\$ 50,000	\$ 50,000	Yes
HARRISS, ALLYSON	32409522	221-1	8/2/2022	--	--	--	\$ 60,800	\$ 60,800	Yes
GIBLIN, MARK	32409525	222-1	7/25/2022	--	--	--	\$ 18,831,863	\$ 18,831,863	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
EVANS, GARY	32409532	223-1	8/2/2022	--	--	--	\$ 9,500	\$ 9,500	Yes
DARNEY, JOHN E	32409540	224-1	8/2/2022	--	--	--	\$ 250	\$ 250	
VANASSE, STEVEN	32409546	225-1	8/2/2022	--	--	--	\$ -	\$ -	TBD
NEIDICH, ROBERT	32410595	227-1	8/3/2022	--	--	--	\$ 228,687	\$ 228,687	Yes
HODGSON, DAVID A	32412969	226-1	8/3/2022	--	--	--	\$ 500	\$ 500	Yes
FOX, WILLIAM [FOX, ANDY]	32412972	228-1	8/4/2022	--	\$ 1,000	--	\$ -	\$ 1,000	Yes
FOX, LAURIE	32412975	229-1	8/4/2022	--	\$ 1,000	--	\$ -	\$ 1,000	Yes
RAGDE, JORGE	32412980	230-1	8/4/2022	--	--	--	\$ 22,000	\$ 22,000	Yes
RICHARDSON, JAMIE R	32412988	231-1	8/4/2022	--	--	--	\$ 3,000	\$ 3,000	
MEZA, MICHAEL	32412996	232-1	8/4/2022	--	--	--	\$ -	\$ -	TBD
HUGHES, PATRICK JOSEPH	32412998	233-1	8/4/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
BURNETTE, OLLEN	32413006	234-1	8/4/2022	--	--	--	\$ 100,000	\$ 100,000	Yes
MICHAEL MEACHER DBA BANKGROUP FINANC	32413009	235-1	8/5/2022	--	--	\$ 3,300,000	\$ -	\$ 3,300,000	Yes
MORRISON, TACY	32413015	236-1	8/5/2022	--	--	--	\$ 54,910	\$ 54,910	Yes
KEESE, JOHN	32413019	237-1	8/5/2022	--	--	--	\$ -	\$ -	TBD
JOHNSON, KENNETH E. III	32413027	238-1	8/5/2022	--	\$ 3,921	--	\$ 1,121,435,079	\$ 1,121,439,000	Yes
CASAVANT, MATTHEW	32413029	239-1	8/6/2022	--	--	--	\$ 108,785	\$ 108,785	Yes
CANCIGLIA, WILLIAM R [CANCIGLIA, BILL]	32413030	240-1	8/6/2022	--	--	--	\$ 4,763	\$ 4,763	
EVANSIC, DANIELLE R	32413035	241-1	8/6/2022	--	--	--	\$ 6,270	\$ 6,270	Yes
WADE, VALERIE ANN	32413038	242-1	8/7/2022	--	--	--	\$ 14,940	\$ 14,940	Yes
SCOTT, TIMOTHY GRAHAM	32413039	243-1	8/7/2022	--	--	--	\$ 2,100	\$ 2,100	
STRECK, DAVID	32413041	244-1	8/7/2022	--	--	--	\$ 280,760	\$ 280,760	Yes
STRECK, KATHIE	32413044	245-1	8/7/2022	--	--	--	\$ 49,346	\$ 49,346	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
STRECK, JOHN L	32413045	246-1	8/7/2022	--	--	--	\$ 7,693	\$ 7,693	Yes
STRECK, EMMA	32413047	247-1	8/7/2022	--	--	--	\$ 2,499	\$ 2,499	Yes
WOOD, LANCE F	32413048	248-1	8/7/2022	--	--	--	\$ 4,227,400	\$ 4,227,400	Yes
GRANITE, LAWRENCE	32413050	249-1	8/7/2022	--	--	--	\$ 2,500	\$ 2,500	
GRANITE, LUCIA	32413051	250-1	8/7/2022	--	--	--	\$ 2,500	\$ 2,500	Yes
ROE, EARL	32413053	251-1	8/7/2022	--	--	--	\$ 4,000	\$ 4,000	
STRECK, LUDWIG	32413054	252-1	8/7/2022	--	--	--	\$ 8,000	\$ 8,000	Yes
JELLISON, MATTHEW	32413056	253-1	8/8/2022	--	--	--	\$ 13,275	\$ 13,275	
SAVAGE, ANGELA	32413057	254-1	8/8/2022	--	\$ 1,800	--	\$ 3,509	\$ 5,309	Yes
LEWIS, MATTHEW	32413058	255-1	8/8/2022	--	--	--	\$ 87,070	\$ 87,070	Yes
FAN, AMELIA	32413060	256-1	8/8/2022	--	--	--	\$ 737,000	\$ 737,000	Yes
FAN, SEBASTIAN	32413061	257-1	8/8/2022	--	--	--	\$ 737,000	\$ 737,000	Yes
FAN, KEN	32413245	258-1	8/8/2022	--	--	--	\$ -	\$ -	TBD
KRICK, ALICIA	32413246	259-1	8/8/2022	--	--	--	\$ 1,100	\$ 1,100	Yes
BIRCHFIELD, WILLIAM	32413247	260-1	8/8/2022	--	--	--	\$ -	\$ -	TBD
WITT, JERRY	32413250	261-1	8/8/2022	--	--	--	\$ 180,502	\$ 180,502	Yes
BRANSON, UZZELL S. IV [BRANSON, UZZELL]	32413253	262-1	8/8/2022	--	\$ 3,350	--	\$ 11,650	\$ 15,000	Yes
JONES, MICHAEL	32413255	263-1	8/8/2022	--	--	--	\$ 43,520	\$ 43,520	Yes
BOSSACOMA, ANSELM	32413257	264-1	8/8/2022	--	--	--	\$ 2,491	\$ 2,491	
KRYSTOF, GARY	32413263	265-1	8/8/2022	--	--	--	\$ 12,234	\$ 12,234	Yes
WEBB, RONALD R	32413265	266-1	8/8/2022	--	\$ 3,300	--	\$ 11,700	\$ 15,000	Yes
BUCHANAN, JARROD	32413277	267-1	8/8/2022	--	--	--	\$ 500	\$ 500	Yes
BRANSON III, UZZELL S.	32413286	268-1	8/8/2022	--	--	--	\$ 900	\$ 900	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
PAVEY, BRIAN	32413287	270-1	8/8/2022	--	--	--	\$ 58,135	\$ 58,135	Yes
GIFT, TIMOTHY JOHN	32413291	269-1	8/8/2022	--	--	--	\$ 5,372	\$ 5,372	
STEEL, MICHAEL	32413295	271-1	8/8/2022	--	--	--	\$ 1,350,781	\$ 1,350,781	Yes
SGARLATTI, ANTHONY	32413298	273-1	8/8/2022	--	--	--	\$ 32,890	\$ 32,890	Yes
LOCKITSKI, MATTHEW	32413304	272-1	8/8/2022	--	--	--	\$ 10,000	\$ 10,000	Yes
BRUBECK, DAVID	32413306	274-1	8/8/2022	--	--	--	\$ 997	\$ 997	Yes
MONTESANO, MIKE	32413315	275-1	8/8/2022	--	--	--	\$ 1,614,500	\$ 1,614,500	Yes
KEHOE, TY	32413321	276-1	8/8/2022	--	--	--	\$ 31,388	\$ 31,388	Yes
COLLINGS, GRAHAM	32413324	277-1	8/8/2022	--	--	--	\$ 1,997	\$ 1,997	Yes
Ty Kehoe	32413348	276-2	8/8/2022	--	--	--	\$ -	\$ -	TBD
KEHOE, STEPHEN R	32413351	280-2	8/8/2022	--	--	--	\$ -	\$ -	TBD
Stephen R Kehoe	32413352	280-1	8/8/2022	--	--	--	\$ -	\$ -	TBD
C/O GARMAN TURNER GORDON	32413355	279-1	8/8/2022	--	--	--	\$ 2,364,926	\$ 2,364,926	Agreed to subordinate
PIAZZA, IGNATIUS	32413360	278-1	8/8/2022	--	--	--	\$ -	\$ -	Agreed to subordinate
FARROW, ROXANNE	32413498	281-1	8/8/2022	--	\$ 3,350	--	\$ 250	\$ 3,600	Yes
TAYLOR, BRIAN NEAL	32413501	282-1	8/8/2022	--	--	--	\$ 1,497	\$ 1,497	Yes
WEBB, DAVID	32413502	283-1	8/8/2022	--	\$ 3,350	--	\$ 30,245	\$ 33,595	Yes
LAS VEGAS DEVELOPMENT FUND, LLC	32413503	284-1	8/8/2022	--	--	\$ 11,655,706	\$ -	\$ 11,655,706	Yes
WEBB, RANDALL R	32413504	285-1	8/8/2022	\$ 3,350	--	--	\$ 46,650	\$ 46,650	Yes
AHLUWALIA, AMARJIT	32413506	286-1	8/8/2022	--	--	--	\$ 14,797	\$ 14,797	
LEWIS, RILEY CONNOR	32413508	287-1	8/8/2022	--	--	--	\$ 1,000	\$ 1,000	
BURK, THOMAS	32413510	289-1	8/8/2022	--	--	--	\$ 38,697	\$ 38,697	
LEWIS, MELISSA RAMISO	32413512	288-1	8/8/2022	--	--	--	\$ 15,000	\$ 15,000	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
OTTEN, KORTNEY	32413514	290-1	8/8/2022	--	--	--	\$ 15,000	\$ 15,000	Yes
GILMORE, MICHAEL	32413518	291-1	8/8/2022	--	--	--	\$ 9,307	\$ 9,307	Yes
LEWIS, LOGAN MITCHELL	32413520	292-1	8/8/2022	--	--	--	\$ 60,000	\$ 60,000	Yes
BONNEY, DOUGLAS R	32413522	293-1	8/8/2022	--	--	--	\$ 70,000	\$ 70,000	Yes
GRAHAM, JORDAN	32413529	294-1	8/8/2022	--	\$ 3,350	--	\$ 101,295	\$ 104,645	Yes
GREENWOOD, KENNETH	32413531	295-1	8/8/2022	--	--	--	\$ 1,500	\$ 1,500	Yes
John J. Smith	32414961	297-1	8/11/2022	--	--	--	\$ 3,700	\$ 3,700	Yes
Brent B Adams	32414966	296-1	8/11/2022	--	--	--	\$ 1,345	\$ 1,345	Yes
Amberlyn Gil	32571241	301-1	8/15/2022	--	--	--	\$ 250	\$ 250	Yes
Jennifer Gil	32571244	304-1	8/15/2022	--	--	--	\$ 250	\$ 250	Yes
David Gil	32571259	300-1	8/15/2022	--	--	--	\$ 250	\$ 250	Yes
Erin Gil	32571264	302-1	8/15/2022	--	--	--	\$ 250	\$ 250	Yes
Scott Hoffman	32571272	303-1	8/15/2022	--	--	--	\$ 250	\$ 250	Yes
Ruland Gil	32571286	299-1	8/15/2022	--	--	--	\$ 250	\$ 250	Yes
Leonard Haas	32571291	298-1	8/15/2022	--	--	--	\$ 3,786	\$ 3,786	Yes
Carl Lombardo	32723760	306-1	8/16/2022	--	--	--	\$ -	\$ -	Yes
Marvin Leslie Newcomb II	32723768	305-1	8/16/2022	--	--	--	\$ 1,500	\$ 1,500	Yes
William Sillanpaa	32723770	307-1	8/16/2022	--	--	--	\$ -	\$ -	Yes
Neal Schweber	32733837	310-1	8/19/2022	--	--	--	\$ -	\$ -	Yes
Dennis and Leslie Lensegrav	32733839	309-1	8/18/2022	--	--	--	\$ -	\$ -	Yes
William Ray Holley	32733840	308-1	8/18/2022	--	--	--	\$ 4,500	\$ 4,500	Yes
EDWARDS, MICHAEL E. JR.	32733975	312-1	8/20/2022	--	--	--	61,000	\$ 61,000	Yes
EDWARDS, STACEY A [FRONGILLO, STACEY A]	32733971	311-1	8/20/2022	--	--	--	650,000	\$ 650,000	Yes

SUBJECT TO AMENDMENT

Name	Claim ID	Claim Number	Date Filed	Administrative	Priority	Secured	General Unsecured	Total Claims	Marked For Objection / Comment
IANUCCI, DEBRA	32733981	313-1	8/22/2022	--	--	--	227,393	\$ 227,393	Yes
IANUCCI, ROBERT	32733983	314-1	8/22/2022	--	--	--	622,994	\$ 622,994	Yes
GODWIN, JOHN	32773516	315-1	8/24/2022	--	--	--	3,299	\$ 3,299	
COLLINS, MARK	32773518	316-1	8/25/2022	--	--	--	10,000	\$ 10,000	
HOCHSTRAT, KEVIN	32773519	317-1	8/25/2022	--	--	--	1,500	\$ 1,500	
DOUTT, MELINDA	32773509	318-1	8/26/2022	--	--	--	500	\$ 500	
GRIFFIN, MATTHEW	32773520	319-1	8/27/2022	--	--	--	997	\$ 997	
CONNORS, RAYMOND W	32779166	322-1	8/29/2022	--	--	--	60,000	\$ 60,000	Yes
STUART, ROBERT	32773521	320-1	8/31/2022	--	--	--	3,789	\$ 3,789	
WAHLQUIST, JOHN	32785754	331-1	9/6/2022	--	--	--	6,000	\$ 6,000	
HILLMER, THOMAS	32779165	321-1	9/7/2022	--	--	--	15,600	\$ 15,600	Yes
ROBERTS, KENNETH [JESARACA LP]	32779178	324-1	9/7/2022	--	--	--	72,854,224,500	\$ 72,854,224,500	Yes
ROBERTS, KENNETH [JESARACA LP]	32779183	326-1	9/7/2022	--	--	--	250,000,000	\$ 250,000,000	Yes
ROBERTS, KENNETH [JESARACA LP]	32779187	328-1	9/7/2022	--	--	--	527,000	\$ 527,000	Yes
ROBERTS, KENNETH [JESARACA LP]	32779186	327-1	9/7/2022	--	--	--	42,700	\$ 42,700	Yes
ROBERTS, KENNETH [JESARACA LP]	32779181	325-1	9/7/2022	--	--	--	23,256	\$ 23,256	Yes
ROBERTS, KENNETH [JESARACA LP]	32779177	323-1	9/7/2022	--	--	--	6,000	\$ 6,000	Yes
FORTUNE, MARK	32784867	330-1	9/10/2022	--	--	--	2,000	\$ 2,000	
MOHR, BETH A.	32785179	329-2	9/13/2022	--	--	--	7,200	\$ 7,200	
SHUBIN, ANDREA	32788602	332-1	9/21/2022	--	--	--	200,000	\$ 200,000	Yes

EXHIBIT B



MEMBERSHIP TERMS

Front Sight Management, LLC

SEPTEMBER 9, 2022

Summary of Membership Terms

Nevada PF, LLC dba PrairieFire (“PrairieFire”) is pleased to support the first amended plan of reorganization (the “Plan”) filed by Front Sight Management, LLC (“Front Sight”). Upon confirmation of the Plan (expected to be at the end of November 2022), PrairieFire will become the 100% equity holder of Front Sight and Front Sight will operate under the “PrairieFire Nevada” name. To understand PrairieFire’s goal for the integration of Front Sight into PrairieFire’s business and its impact on members, it is critical to understand PrairieFire’s long-term vision and operational plan.

To sum up PrairieFire’s intent in one sentence: **PrairieFire wants to make the current Front Sight location the pre-eminent shooting destination in the world.**

PrairieFire plans significant financial investment in the Front Sight facility. In addition to the existing ranges, PrairieFire’s plan is to develop shooting courses that do not exist outside of elite military training installations. Its build-out plans also include long-range and helo shooting experiences.

PrairieFire’s Q Academy training curriculum is deeply rooted in the special operations training of the elite military and adapted for civilians. PrairieFire believes that its competitions and championships will define the shooting industry, as well as provide a destination for industry leaders to connect with members.

The bedrock of PrairieFire’s vision is to embrace the existing Front Sight membership and welcome them into PrairieFire. To date, PrairieFire has studied and evaluated the large Front Sight membership from a distance. PrairieFire recognizes that the numerous members were each attracted to Front Sight for many different reasons and motivations. In PrairieFire’s membership terms set forth below, it has done its best to address those known motivations and mirror the various existing membership groups in terms adapted for the PrairieFire vision and offerings.

Who is PrairieFire?

PrairieFire is a new company led by a team of former elite military operators, law-enforcement leaders, and competitive shooters elevating our passion to energize and better the 2A experience and industry. Its service to our country has shaped our collective perspective and approach to both life and shooting - and instilled us with the principles we live by. We are honored to live in the greatest country in the world. Most importantly, we cherish honesty and directness, and treat everyone in the manner we hope to be treated.

To learn more about us, please visit our new website at www.PrairieFire.com.

Long Term Vision

PrairieFire’s long-term vision is simple: Evolve the current Front Sight location into the world’s pre-eminent shooting destination experience. It is also building a similar destination experience in Texas - in Williamson County just north of Austin.

PrairieFire’s vision is to provide the 2A community with analogous experiences achieved in other industries. For families, the pinnacle is visiting Disney World. In golf, it is a trip to Pebble Beach or Augusta. For NASCAR, it is the week of fun and activities at Daytona or Charlotte Speedway. For Formula One, it is the experience of Monte Carlo. For football, it is the Super Bowl and the experiences in the days leading up to the big game.

Every great sport has its special place - shooting does not. PrairieFire’s intent is to establish PrairieFire Nevada as that magical place for shooters.

Key Components of the PrairieFire Vision

The foundational components of the PrairieFire vision are as follows:

Shooter's Experience

We strive to provide each member with awe-inspiring experiences that leave them smiling and counting the time to their next return visit.

Q Academy

Our comprehensive training curriculum is rooted in the best practices of military special operations training, and adapted for civilians with certification upon mastery of each level.

Basic Range Shooting Repetitions & Instruction

We plan to continue (our opinion of) Front Sight's primary offering of shooting and instructions across a large number of flat ranges.

Shooting Courses

In the military, our experiences and training went well beyond flat ranges. We plan to transform a significant portion of the Front Sight terrain into these experiential assets.

The Home of RANK

RANK is our patented scoring system to assess an individual's shooting ability. RANK will be the foundation for our championships, our training curriculum, and most importantly, fun. To date, the reception from the elite shooting world and law enforcement has been tremendous. Our first RANK Championship, offering \$100,000 prize money, is on October 28, 2022 in Williamson County, Texas.

Championships

The 2A community is currently among the most underserved groups of people. Although more than half of Americans own a gun, we do not have marquee sports championship events that unite our community. PrairieFire plans to change that.

We recently announced the \$1 Million 2023 PrairieFire Rank Championship with the largest cash prize pool ever awarded in the industry. Our plan is to host this groundbreaking event in Pahrump, Nevada.

Our 2023 calendar of competitions also includes the \$1 Million 2023 PrairieFire SWAT Championship, the 2023 PrairieFire Law Enforcement RANK Championship, and numerous other individual and team competitions - all planned to be hosted at PrairieFire Nevada.

Our dream is to establish PrairieFire Nevada as that hallowed destination for shooters and the home of the 2A's equivalent to the annual Super Bowl.

Physical Assets

In addition to the Plan funding PrairieFire is making, it intends to invest tens of millions of dollars into PrairieFire Nevada. PrairieFire's investment will encompass the development of shooting courses, Helo shooting and long-range rifle assets. In addition, it has significant plans for the buildout of a substantial clubhouse for our members, commensurate with our dream of making PrairieFire Nevada the world's ultimate destination for the 2A community.

Stagecoach Depot

PrairieFire plans to allocate a significant portion of the undeveloped Front Sight acreage for us to attempt the buildout of an RV/Mobile Home residential and visiting community, offering visitors a place to stay while enjoying PrairieFire Nevada, and even live there on a long-term basis.

Transition from Front Sight to PrairieFire

Front Sight's emergence from Chapter 11 is the first step in becoming PrairieFire. Front Sight amassed many great achievements, including the development of superb ranges and bringing together numerous shooting enthusiasts.

We believe PrairieFire's championships, competitions, experiences and the establishment of our own NASCAR type events will be transformative in the 2A industry. PrairieFire's belief in its vision will resonate with most who love shooting, the 2A community and fun around shooting-based activities. Most importantly, our greatest success will come from creating pride among the PrairieFire membership.

New Terms for Members

Bankruptcy is an incredibly complex and confusing process. Accordingly, PrairieFire's primary objective is to provide each Front Sight member a long look at what PrairieFire is executing. Prairie is a team of operators and they know dreams are meaningless until they are backed by action. PrairieFire wants members who are inspired by its vision for creating something unique and special that does not currently exist in the 2A community.

On the next page is a high-level summary of new membership terms for current Front Sight members.

First, A Free Look at PrairieFire

Every current Front Sight Member will become a PrairieFire Frontier Member for two years at no cost. This membership will allow you to continue many of the activities you enjoy today at Front Sight. This membership includes access to unlimited shooting on two dedicated ranges with basic instruction.

This membership will give every current Front Sight member a chance to evaluate PrairieFire and decide whether you want to be part of what PrairieFire is building - without incurring any costs.

Long-term, the PrairieFire Frontier Membership will only cost a one-time initiation fee of \$200 and a \$200 annual membership fee. If you convert to a paying PrairieFire Frontier membership prior to the expiration of your free two-year membership, we will waive your Initiation Fee.

In addition, PrairieFire will provide each current Front Sight member with one free day of Q Academy training for themselves and a guest.

Next, PrairieFire's Four Membership Offerings

Individuals are motivated to participate in experiential destinations for a variety of reasons. In general, we believe PrairieFire members will fit broadly into one of four groups. Accordingly, we have designed our membership offerings to suit four general desires. These desires range from “just the basics” with lowest possible price to “fully engaged” in the bigger mission of what PrairieFire is attempting to accomplish.

PrairieFire Frontier Member

PrairieFire's basic offering designed for range reps and basic instructions. The Frontier membership is priced with a one-time initiation fee of \$200 and annual membership fees of \$200.

Current Front Sight members will each receive a free two-year Frontier membership. In addition, current Front Sight members who convert to a paying Frontier membership prior to the expiration of the two free years will have the one-time initiation fee waived.

PrairieFire Nevada Member

Full access to all ranges, courses, experiences, helo, sniper, and, when subject to availability, invitation to our events, championship and other activities.

The Nevada membership is priced with a one-time initiation fee of \$1,000 and annual membership fees of \$1,000. Nevada members will also have unlimited access to Frontier ranges designed for range reps and basic instruction. The Nevada membership will also include Q Academy training from elite operators at the cost of \$500/day and shooting courses and experiences at \$250/day.

Current Front Sight members who convert to a Nevada membership in 2023 will have the one-time initiation fee waived. These members converting in 2023 will also receive a 50% discount on annual membership fees and daily fees in 2023 and 2024.

PrairieFire National Member

This membership encompasses all of the benefits of the PrairieFire Nevada membership and adds a few key benefits. In addition to PrairieFire Nevada rights, a National member will also receive those same rights at PrairieFire Texas experiential destination - which will be similar to our Nevada build-out. In addition, we are building a network of “facility partners” throughout the country. National members will receive access to these facilities, generally at a 20% discount. Finally these members will receive priority bookings and invitations to events.

The National membership is priced with a one-time initiation fee of \$5,000 and annual membership fees of \$2,000. National members will receive access to the facilities at the same daily fees as Nevada members.

Current Front Sight members who convert to a National membership in 2023 will have the one-time initiation fee waived. These members converting in 2023 will also receive a 50% discount on annual membership fees and daily fees in 2023 and 2024.

PrairieFire Founder's Club Member

The Founder's Club is PrairieFire's highest level membership. It is designed for those who want to be deeply involved with our mission, our competitions and events, and become part of PrairieFire's DNA. Founder's Club members will have unique assets available to them, including "never full" access, priority invitations to all of our events and membership in our Leadership Council, led by military and law enforcement dignitaries.

Long term, the Founder's Club will be by invitation only, but PrairieFire will initially invite any current Front Sight member who has spent at least \$15,000 at Front Sight on memberships and membership upgrades. **PrairieFire will have only 500 Founder's Club members, so this membership allocation will be on a first-come, first-serve basis.**

PrairieFire will reach out to Front Sight members to deliver these invitation offers directly. We also encourage any member who believes the bankruptcy documents are incorrect and would like to be a part of the Founder's Club, to contact us directly.

Current Front Sight members who convert to a Founder's Club membership in 2023 will have the one-time initiation fee waived. These members converting in 2023 will also receive a 50% discount on annual membership fees and daily fees in 2023 and 2024.

The Founder's Club membership is priced with a one-time initiation fee of \$10,000 and annual membership fees of \$5,000. National members will receive access to the facilities at the same daily fees as National members.

Other Major Benefits

After confirmation of Front Sight's Plan (expected to be at the end of November 2022), PrairieFire will offer members low-cost access to key goods. Accordingly, It will implement a "cost plus" program for ammo and guns that varies based on the level of membership (ranging from "cost +10%" to "cost +15%"). PrairieFire plans to leverage sister companies to help lower costs and guarantee supply for members. These sister companies include an ammunition manufacturer and a high-end firearms manufacturer.

With respect to the Pro Shop, members will receive a discount on all other items depending on their membership level (ranging from 10% to 20% discount).

Finally, PrairieFire plans to invest in the buildout of major assets at the current Front Sight property, including an attractive clubhouse with firearm storage facilities where members can keep their guns.

PrairieFire will also provide gunsmithing, restaurant facilities, and many more amenities. As mentioned previously, it hopes to be able to execute on a residential community for short-term, long-term, and even permanent residency. The residential facility is not part of this immediate restructuring of Front Sight as we have much diligence and collaboration with local officials ahead for various approvals and execution. However, it is an important part of PrairieFire's long-term vision. It plans to build similar assets in Texas.

PrairieFire | Frontier – *Initial* Two-year Membership

Description	All current Front Sight members will receive a free Frontier membership during 2023 and 2024
Fees	Free for two years
Member Profile	For those who love to shoot and want to be part of something special, this is the chance to try out PrairieFire!
Direct Benefits	Unlimited use of two Frontier ranges
Discounts	10% Pro Shop discount, Cost + 15% for guns and guaranteed ammo program
Not Included	Q Academy training and Intense Shooting

PrairieFire | Frontier – *Beyond* the Free First Two Years

Description	Frontier membership provides access to the PraireFire community and two ranges with basic instruction
Fees	One-Time \$200 Initiation Fee + \$200 Annual Membership Fee Current Front Sight members who convert to a paying Frontier membership prior to the expiration of the two-free years will have the one-time initiation fee waived
Member Profile	For those who love to shoot and want to be part of something special, this is the chance to become a member
Direct Benefits	Unlimited use of two Frontier ranges
Discounts	10% Pro Shop discount, Cost+15% for guns and guaranteed ammo program
Not Included	Q Academy training and Intense Shooting

PrairieFire Nevada	
Description	Access to the World's Best Shooting Experience
Fees	One-Time \$1,000 Initiation Fee + \$1,000 Annual Membership Fee Current Front Sight members who convert to a Nevada membership in 2023 will have the one-time initiation fee waived. These members converting in 2023 will also receive a 50% discount on annual membership fees and daily fees in 2023 and 2024.
Member Profile	For dedicated shooters who want access to a one-of-a-kind experience
Direct Benefits	Full access to all PrairieFire Nevada ranges, courses & experiences, including sniper ranges and helicopter shooting. Invitations to Monster Mash tournaments. General admission to PrairieFire competitions.
Discounts	10% Pro Shop discount, Cost + 15% for guns and guaranteed ammo program
Not Included	Access to PrairieFire's Texas location, guest privileges, priority booking and concierge services

PrairieFire National	
Description	Access to the World's Best Shooting Experiences (Nevada & Texas)
Fees	One-Time \$5,000 Initiation Fee + \$2,000 Annual Membership Fee Current Front Sight members who convert to a National membership in 2023 will have the one-time initiation fee waived. These members converting in 2023 will also receive a 50% discount on annual membership fees and daily fees in 2023 and 2024.
Member Profile	For dedicated shooters who want access to a one-of-a-kind experiences at both PrairieFire locations and access to Leadership Council events with military and law enforcement dignitaries
Direct Benefits	Full access to all PrairieFire Nevada ranges, courses & experiences, including sniper ranges and helicopter shooting. Invitations to Monster Mash tournaments.
Discounts	20% Pro Shop discount, Cost + 10% for guns and guaranteed ammo program

PrairieFire Founder's Club	
Description	Invitation-only club with premier access to everything PrairieFire has to offer. Membership is limited to 500 members.
Fees	One-time \$10,000 Initiation Fee + \$5,000 Annual Membership Fee Current Front Sight members who convert to a Founder's Club membership in 2023 will have the one-time initiation fee waived. These members converting in 2023 will also receive a 50% discount on annual membership fees and daily fees in 2023 and 2024.
Member Profile	Current Front Sight members with more than \$15,000 in lifetime spending on membership and membership upgrades at Front Sight will receive an invitation to join the PrairieFire Founder's Club on a first-come, first-serve basis. This group of 500 members will have unmatched access to everything PrairieFire has to offer.
Direct Benefits	Exclusive access to all PrairieFire ranges, courses & experiences, including sniper ranges and helicopter shooting. Range is never sold out for Founder's Club members Membership in Leadership Council with Military & Law Enforcement Dignitaries, and Priority access to Leadership Council Military & Law Enforcement Dignitary Speaker Series, private dinners and events Priority invitations to tournaments and championship events. Access to the private Founder's Club areas (locker room with dedicated lockers, private cigar lounge & storage chamber) and complimentary services, including airport pickup/dropoff, gun shipment, storage programs and gunsmithing. Qualification "Bye" for Select PrairieFire Competitions & Tournaments
Discounts	20% Pro Shop discount, Cost + 10% for guns and ammo
Not Included	Founder's Club is PrairieFire's only all-inclusive membership

Member Benefits	Founder's Club	National	Nevada	Frontier
Initiation Fees				
Initiation Fee	\$10,000	\$5,000	\$1,000	\$200
Initiation Fee - Waived for Existing Members per Terms Below*	Waived for Existing Front Sight Members*			
Annual Fees				
Annual Membership Fee	\$5,000	\$2,000	\$1,000	\$200
Annual Membership Fee - 50% Discount for Existing Members**	50% Discount for Existing Front Sight Members**			\$200
Daily Fees				
Q Academy Training Curriculum Daily Fees	\$500			N/A
Q Academy Curriculum Daily Fees** 50% Discount for Legacy Members in 2023 and 2024	50% Discount			N/A
Intense Shooting Experience Daily Fees*	\$250			N/A
Intense Shooting Experience Daily Fees** 50% Discount for Legacy Members	50% Discount			N/A
Free Training days*** Legacy Members Receive One Free Day for Self and Guest	1 + Guest			
Discounts and Programs				
Pro Shop Discount	20% Discount		10% Discount	
Access to Guaranteed Home Ammo Program	Cost + 10%		Cost + 15%	
Gun Sale Program	Cost + 10%		Cost + 15%	
Membership Privileges				
Range, Online and Course Access				
PrairieFire Online Community Membership	✓	✓	✓	✓
Unlimited Access to PrairieFire Nevada Ranges 6 & 7	✓	✓	✓	✓
Q Academy Training Courses	✓	✓	✓	
Full Access to all PrairieFire Nevada Ranges, Courses & Experiences	✓	✓	✓	
Monster Mash Tournament Invites	✓	✓	✓	
Access to Helo Shooting Experiences	✓	✓	✓	
Access to Sniper Ranges	✓	✓	✓	
Full Access to all PrairieFire Texas Ranges, Courses & Experiences	✓	✓		
Guest Privileges	✓	✓		
Priority Access & Dedicated Booking Concierge	✓	✓		
Range is Never Sold Out for Founder's Club Members	✓			
Reciprocal Rights/Discounts at Partner Ranges	✓			

Member Benefits	Founder's Club	National	Nevada	Frontier
Membership Privileges				
VIP Services				
"Ship Your Shot" Gun Delivery Program	✓	✓	✓	✓
Airport/Hotel Pickup and Dropoff	✓			
Complimentary Gunsmithing	✓			
1-on-1 (Or Your Private Group) Training with Special Ops Instructor	✓			
Special Access/Recognition				
Membership in Leadership Council with Military & Law Enforcement Dignitaries	✓			
Access to Leadership Council Military & Law Enforcement Dignitary Speaker Series/Private Dinners/Events	Priority Invitations	Secondary Priority		
Championship Events - Invitation Type				
\$1 Million 2023 PrairieFire Rank Championship	Priority Invitations	Secondary Priority	General Admission	
\$1 Million 2023 PrairieFire SWAT/LE Championship, 2023 Celebrating Heroes	Priority Invitations	Secondary Priority	General Admission	
2023 Gunmaker Pre-SHOT Showcase Range Day (includes Staccato & other top tier manufacturers)	Priority Invitations	Secondary Priority	General Admission	
Access to Day Lockers		✓	✓	✓
Private Founder's Club (Locker Room with Dedicated Lockers, Private Cigar Lounge & Storage Chamber)	✓			
Gunsmithing	✓	✓	✓	✓
Gun Storage	✓	✓	✓	✓
Shooting Experience Achievement Wall for Top Performers	✓	✓	✓	✓
Membership Identification Apparel, Coin and Certificate	✓	✓	✓	✓
Qualification "Bye" for Select PrairieFire Competitions & Tournaments	✓	✓		

* With conversion during 2023 to paid Founder's Club, National, and Nevada memberships. With conversion by end of 2024 to paid Frontier membership

** With conversion to paid membership before expiration of the free term, discount period will cover 2023 & 2024 for Founder's Club, National, and Nevada memberships

*** One visit for a member and guest (valid during 2023 or 2024)

EXHIBIT C

Front Sight Chapter 7 Liquidation Analysis	Note	Allowed Claim Scenario (\$)		Claim Recovery Estimate (\$)		Claim Recovery Estimate (%)	
Recovery Scenario		High Recovery	Low Recovery	High Recovery	Low Recovery	High Recovery	Low Recovery
Distributable Value	1			\$ 22,500	\$ 19,000		
<i>Chapter 7 Costs / Percent of Distributable Value</i>							
(-) Liquidation Costs	2			675	760	3.0%	4.0%
(-) Chapter 7 - Trustee Fee	2			675	570	3.0%	3.0%
(-) Chapter 7 - Professional Fees	3			600	700	2.7%	3.7%
Distributable Value For Secured Claims				\$ 20,550	\$ 16,970		
<i>Secured Claims</i>							
(-) Las Vegas Development Fund, LLC	4	10,000	12,300	10,000	9,958	100%	81%
(-) FS DIP LLC	5	5,200	5,200	5,200	4,210	100%	81%
(-) Bankgroup Financial Services (Michael Meacher)	6	1,000	3,300	1,000	2,672	100%	81%
(-) M2 EPC	7	147	147	147	119	100%	81%
(-) Top Rank Builders / Morales Construction	7	15	15	15	12	100%	81%
Distributable Value For Chapter 11 Administrative Claims		\$ 16,362	\$ 20,962	\$ 4,188	\$ 0		
<i>Chapter 11 Administrative Claims</i>							
(-) Wage Arrearage Claims	8	300	400	300	0	100.0%	0.0%
(-) WARN Obligations	8	600	800	600	0	100.0%	0.0%
(-) Professional Fee Related Administrative Claims	9	800	1,000	800	0	100.0%	0.0%
(-) Ordinary Course Chapter 11 Administrative Claims (Excl. Wages)	9	400	500	400	0	100.0%	0.0%
Distributable Value For Priority Unsecured Claims		\$ 2,100	\$ 2,700	\$ 2,088	\$ -		
<i>Priority Unsecured Claims</i>							
(-) State Of Nevada Department Of Taxation	10	153	153	153	-	100.0%	0.0%
(-) Department of Treasury - IRS	10	1	1	1	-	100.0%	0.0%
(-) Employee Payroll Expense Claim	11	9	9	9	-	100.0%	0.0%
Distributable Value For Unsecured Creditors		\$ 162	\$ 162	\$ 1,926	\$ -		
<i>General Unsecured Claims</i>							
(-) Membership Rejection Damage Claims	12	15,000	30,000	1,423	-	9.5%	0.0%
(-) Bankgroup Financial Services (Michael Meacher)	13	2,300	-	218	-	9.5%	0.0%
(-) Insider Claims	14	2,365	2,365	224	-	9.5%	0.0%
(-) Trade and Service Claims	15	635	635	60	-	9.5%	0.0%
Total Recovery For Unsecured Creditors		\$ 20,300	\$ 33,000	\$ 1,926	\$ -	9.5%	0.0%
Total Estate Claims / Recoveries		\$ 38,924	\$ 56,824	\$ 20,550	\$ 16,970		

Global Notes to Liquidation Analysis

- I. **Dependence on Assumptions:** The Liquidation Analysis depends on several estimates and assumptions. Although developed and considered reasonable by the management and the advisors of the Debtor, the assumptions are inherently subject to significant economic, business, regulatory, and competitive uncertainties and contingencies beyond the Debtor's control or their management. The Liquidation Analysis is also based on the Debtor's best judgment of how numerous decisions in the liquidation process would be resolved. Accordingly, there can be no assurance that the values reflected in the Liquidation Analysis would be realized if the Debtor was, in fact, to undergo such liquidation, and actual results could vary materially and adversely from those contained herein.
- II. **Dependence on a Forecasted Financial Position:** This Liquidation Analysis contains numerous estimates regarding the Debtor's financial and operational performance between now and the Conversion Date.
- III. **Chapter 7 Liquidation Process:** The liquidation and wind-down of the Debtor's estate is assumed to be completed over a period of 6 months, where the Debtor would liquidate all saleable assets, all of which we assume would be sold in conjunction with the real estate parcels.
- IV. **Claims Estimates:** In preparing this Liquidation Analysis, the Debtor has preliminarily estimated an amount of Allowed Claims for each indicated type of Claim. DIP Claims were estimated as of the Conversion Date, at which point the full facility would be drawn by the Debtor with all fees and interest incurred. Additional Claims were estimated to include certain Chapter 7 administrative obligations incurred after the Conversion Date. The estimate of all allowed claims in this Liquidation Analysis is based on the scheduled and filed claim values and several illustrative placeholders. No order or finding has been entered or made by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the projected amounts of Allowed Claims set forth in this Liquidation Analysis. The estimate of the amount of Allowed Claims set forth in this Liquidation Analysis should not be relied upon for any other purpose, including, without limitation, any determination of the value of any distribution to be made on account of Allowed Claims under the Plan. The actual amount of Allowed Claims could be materially different from the amount of Claims estimated in this Liquidation Analysis.

Footnotes To Liquidation Analysis Exhibit

1. Assumes the Debtor's primary real property asset, which several secured creditors encumber, including Las Vegas Development Fund, M2 MPC, Top Rank Builders, and the DIP Lender ("FS DIP"), comprises the overwhelming majority of the recoverable value. This amount assumes the current stalking horse honors its bid for \$19.0 million in the low recovery scenario and includes all of the estate's assets. Both scenarios assume that the stalking horse bidder is not purchasing the assets as a going concern and, therefore, not willing to pay the full value it otherwise would in a chapter 11 plan where multiple operational aspects of the Debtor's business would remain undamaged and uninterrupted by a chapter 7 conversion. The Debtor has noticed over 200 thousand potential claimants, all of whom are potentially interested parties. Relating to those notices, the Debtor's advisors have fielded a number of inquiries from interested parties, resulting in no meaningful opportunities for the estate and no parties that have come forth with a written offer that would be actionable or beneficial to the Debtor. Based on these encounters, the Debtor does not believe a sale process would be fruitful in generating recoveries meaningfully beyond the stalking horse's current offer.
2. Estimated wind-down costs associated with a chapter 7 liquidation inclusive of costs required to market, sell, and wind down the Debtor's assets.

3. Chapter 7 professional fees assumed to be incurred in litigation and analysis of the Debtor's estate after conversion has occurred.
4. Claims filed by Las Vegas Development Fund; Filed Claim: \$11,655,706.01 with interest, costs and attorneys' fees accruing. [Pursuant to Proof of Claim No. 284-1] Debtor's Estimate of allowed secured claim: is ~\$6.7 million [Calculated at \$6,375,000 plus unpaid non-default interest with no attorneys' fees, penalties or default interest]. Under the agreement additional interest may accrue; however, these incremental fees are disputed by the Debtor. It is assumed in a Chapter 7 liquidation that negotiations over these claims will not be as hotly contested or yield results as favorable to the Debtor, resulting in a higher allowed claim.
5. Chapter 11 DIP loan with a security interest on the land; Includes a stalking horse bid for the Debtor's assets. Assumed to be drawn in full on the conversion date with ~\$150 thousand of interest and \$50 thousand of exit fees earned and accrued.
6. Subject to adequacy and completeness of the lender's security instruments relative to the Debtor's actual firearm inventory. A secured claim for \$3.3 million was filed by this creditor; however, the Debtor disputes the validity of this claim and is filing a complaint to avoid the lien which includes an objection to claim. The Debtor believes that the claimant's security interest is avoidable as a fraudulent transfer, and the Debtor believes that it has fraudulent transfer claims against Michael Meacher and his wife. Consequently, the allowed secured claim amount in the high recovery scenario is assumed to be \$1.0 million, with an unsecured deficiency claim of \$2.3 million for illustrative purposes.
7. Mechanics lien on the Debtor's property secured by certain improvements.
8. Illustrative amount relating to employee payroll claims arising from the Debtor's payroll arrearage schedule, which would include 2-4 weeks of payroll-related claims depending on the conversion date timing, and is assumed to occur near and around when the plan confirmation would be. Additionally, the Debtor expects that it would be obligated to pay approximately 60 days of payroll related to WARN in the event of a conversion.
9. Illustrative amount for incremental Chapter 11 administrative claims incurred beyond the DIP facility preceding a conversion.
10. Priority claims filed by federal and state tax entities.
11. Employee claims for unreimbursed corporate expenses.
12. Illustrative claims from membership rejection damages generated without Front Sight's continued customer programs. Assumes there is resolution to amounts filed and to be filed by members that more closely approximate amounts actually paid by such claimant.
13. Deficiency claim of Michael Meacher and his affiliate entity for insufficient collateral.
14. Claims against the Debtor filed by certain insiders for amounts owed under real estate leases and equipment loaned to the Debtor for day-to-day operations.
15. Includes general unsecured trade claims, prepetition ordinary course professionals, and other non-membership related unsecured claims.