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 and Plan Proponent

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

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

Case No. 22-11824-abl  
 Chapter 11

**Confirmation Hearing:** November 18, 2022  
**Confirmation Hearing Time:** 9:30 a.m.

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

19 **NOTICE OF HEARING ON APPROVAL OF PLAN CONFIRMATION, NOTICE OF**  
 20 **REJECTION OF PREPETITION MEMBERSHIPS AND SUMMARY OF DEBTOR’S**  
 21 **SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION**

22 On October 3, 2022, Front Sight Management LLC, the chapter 11 debtor in possession and  
 plan proponent herein (the “Debtor”), filed its *Second Amended Chapter 11 Plan of Reorganization*  
 23 [ECF No. 405] (as may be amended or modified, the “Plan”) and its *Second Amended Disclosure*  
 24 *Statement Describing Debtor’s Second Amended Plan of Reorganization* [ECF No. 406] (as may be  
 amended or modified, the “Disclosure Statement”).

25 On October 3, 2022, the Bankruptcy Court entered an order [ECF No. 403] (the “Disclosure  
 Statement Order”), pursuant to section 1125 of the Bankruptcy Code, approving the Disclosure  
 26 Statement as providing adequate information for holders of claims or interests to make an informed  
 decision as to whether to vote to accept or reject the Plan. Pursuant to the Disclosure Statement  
 27 Order, the Bankruptcy Court also approved certain procedures, notices and forms relating to  
 confirmation of the Plan.  
 28

1 **PLEASE TAKE NOTICE** that a hearing will be held on **November 18, 2022 at 9:30 a.m.**  
 2 before the Honorable August Landis, Chief United States Bankruptcy Judge, in his Courtroom 1  
 3 located at 300 Las Vegas Blvd. South, Las Vegas, Nevada 89101 via ZoomGov, for the Court to  
 4 consider confirmation of the Plan (and any objections thereto). Hearing information may be  
 5 obtained at <https://www.nvb.uscourts.gov/case-info/mega-cases/>.

6 **PLEASE TAKE FURTHER NOTICE** that objections to confirmation of the Plan, if any,  
 7 must be filed with the Bankruptcy Court and served on counsel for the Debtor no later than **10:00**  
 8 **p.m. Pacific time on November 4, 2022.**

9 **PLEASE TAKE FURTHER NOTICE** that the Plan and Disclosure Statement are on file  
 10 with the Clerk of the Bankruptcy Court. You may also obtain an electronic copy of either document  
 11 (or both) free of charge on the website of the Debtor's claims and noticing agent by accessing the  
 12 following link: <https://cases.stretto.com/FrontSight>.

13 The Plan provides for the Debtor's emergence from its chapter 11 bankruptcy case, which the  
 14 Debtor anticipates will occur in November 2022. As described more fully in the Disclosure  
 15 Statement and Plan, the Debtor will satisfy its debt and other claims and implement a recapitalization  
 16 with approximately \$24.775 million of new capital (the "New Value Contribution") from an equity  
 17 investor Nevada PF, LLC (the "New Equity Investor").<sup>1</sup>

18 The following is a summary of the Plan:

19 1. **Treatment of Claims and Interests.** The Plan segregates claims and interests into  
 20 classes and treats them as summarized in the chart below, which summaries are subject to the more  
 21 detailed provisions specified in Article IV of the Disclosure Statement and Article III of the Plan.  
 22 Any capitalized term in the summaries that is not defined herein has the same meaning as set forth in  
 23 the definition sections of the Plan and Disclosure Statement.

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 <sup>2</sup>	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.

24  
 25  
 26 <sup>1</sup> The New Equity Investor is an affiliate of the Debtor's post-petition lender FS DIP, LLC.

27 <sup>2</sup> This amount does not include the \$2 million carve-out for professionals provided for in the final  
 28 debtor-in-possession financing ("DIP Financing") order entered in this case 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
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")	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.
1	<p data-bbox="381 919 602 1016">Secured claim of Las Vegas Development Fund, LLC ("LVDF")</p> <p data-bbox="381 1050 623 1205">Collateral Description: Real property located at 1 Front Sight Road, Pahrump, NV 89061 ("Front Sight Property")</p> <p data-bbox="381 1239 574 1297">Interest rate: Non-Default – 6%</p> <p data-bbox="381 1331 558 1390">Maturity Date – October 4, 2021</p> <p data-bbox="381 1423 639 1520">*Debtor has a pending action against LVDF and affiliates</p>	<p data-bbox="667 999 1024 1121">Filed Claim: \$11,655,706.01 with interest, costs and attorneys' fees accruing. [Pursuant to Proof of Claim No. 284-1]</p> <p data-bbox="667 1155 997 1474">Debtor's Estimate of Claim for Plan Treatment Purposes: \$6.7 million [Calculated at \$6,375,000 plus unpaid non default interest with no attorneys' fees, penalties or default interest]. The Debtor filed its objection to LVDF's claim on September 29, 2022 [ECF No. 393]</p>	<p data-bbox="1052 550 1495 735">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. This claim is Contingent and Disputed.</p> <p data-bbox="1052 756 1175 781"><b>Treatment:</b></p> <p data-bbox="1052 802 1511 1117">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="1052 1138 1511 1323">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="1052 1344 1507 1528">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="1052 1549 1511 1701"><b>Lien:</b> 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="1052 1722 1511 1810"><b>Collateral:</b> LVDF's collateral shall solely be the \$11,805,706.01 in the reserve account.</p> <p data-bbox="1052 1831 1511 1919"><b>EB5 Related Obligations:</b> The Reorganized Debtor shall have no EB5 Related Obligations.</p>

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
			<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><b>Impaired; Entitled to Vote subject to the Disclosure Statement Order.</b></p>
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><b>Treatment:</b></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. <b>Lien:</b> 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><b>Collateral:</b> 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><b>Impaired; Entitled to Vote</b></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><b>Impaired; Entitled to Vote</b></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 starting February 1, 2023.  <b>Impaired; Entitled to Vote</b>
5	Employee Wage Claim	\$8,758.99	Paid in full within 10 business days of the Effective Date.  <b>Not Impaired; Not Entitled to Vote</b>
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.  <b>Treatment:</b>  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.  <b>Impaired; Entitled to Vote</b>
8	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.	<b>Treatment:</b> Current equity holders will not retain any equity under the Plan.  <b>Impaired. Presumed not to accept the Plan.</b>

## 2. Rejection of Memberships.

All of the Debtor's pre-petition lifetime memberships shall be rejected effective as of the effective date ("Effective Date"), estimated to be at the end of November 2022, and members shall be entitled to become members of the Reorganized Debtor pursuant to the terms set forth in **Exhibit B** to the Plan and Disclosure Statement. **THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING FROM THE REJECTION OF ANY MEMBERSHIP AGREEMENT SHALL BE THIRTY (30) DAYS AFTER THE EFFECTIVE DATE (ESTIMATED TO BE AT THE END OF DECEMBER 2022). THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING FROM THE REJECTION OF ANY MEMBERSHIP AGREEMENT IF YOU WANT TO VOTE ON THE PLAN IS NOVEMBER 4, 2022. IF YOU DO NOT WANT TO VOTE ON THE PLAN, YOU HAVE UNTIL APPROXIMATELY THE END OF DECEMBER 2022 TO FILE A PROOF OF CLAIM.**

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 party 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").

### 3. Assumption of Executory Contracts and Unexpired Leases.

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 that it will assume any of the below executory contracts or unexpired leases. 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. If you dispute the amount of the cure amount set forth below, then you must file an objection to such cure amount on or before **10:00 p.m. Pacific time on November 4, 2022.** If the Debtor determines that it will assume the below referenced contracts and agreements, then 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
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 <sup>st</sup> Floor Calabasas, CA 91302	\$0	TBD

4. **Injunction.** Article IV.B of the Plan proposes an injunction that provides as follows: "The Confirmation Order shall enjoin the prosecution, whether directly, derivatively or otherwise, of any Claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan. Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all entities that have held, currently hold or may hold a Claim or other debt or liability that is discharged or an interest or other right of an equity



holder that is impaired pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtor, the Debtor's Estate, the Reorganized Debtor or its property on account of any such discharged Claims, debts or liabilities or terminated interests or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor; and (v) commencing or continuing any action in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan. **By accepting distribution pursuant to the Plan, each holder of an Allowed Claim receiving a Distribution pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in this Section.**"

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

6. **Auction and Overbidding.** As set forth more fully in Section VIII of the Disclosure Statement and Section IV of the Plan, any interested parties with evidence of the financial wherewithal to do so, may submit a Qualifying Bid (as defined in the Plan) to step into the shoes of the New Equity Investor (i.e., become the 100% equity holder of the Debtor) by **4:00 p.m. Prevailing Pacific Time on November 4, 2022.** The minimum Qualifying Bid is \$25,150,000 plus provide membership programs to the Debtor's members. Please see the Plan and Disclosure statement for more details.

\* \* \*

The above summaries are described in more detail in the Plan and Disclosure Statement. As set forth on the second page of this notice, copies of the Plan and Disclosure Statement are available (free of charge) at <https://cases.stretto.com/FrontSight>.

If you did not receive a copy of a ballot with this Notice, then the Debtor does not believe that you are a creditor entitled to vote on the Plan. If you disagree, you may submit a written request for a ballot to Debtor's counsel, BG Law LLP, Attn: Susan Sefflin, Esq. by email at [ssefflin@bg.law](mailto:ssefflin@bg.law). If you received a copy of a ballot and you hold a priority or administrative claim or you do not have a claim against the Debtor, please disregard the ballot.

1 If you received a ballot with this Notice and you are entitled to vote on the Plan, to have  
2 your vote count, you must complete, sign and return the Ballot (or complete the electronic  
3 ballot sent to you via email) so that it is actually received by the Debtor's claims and noticing  
4 agent on or before **10:00 p.m. Pacific time on November 4, 2022**. If you have not yet filed a  
5 claim or you were not scheduled with a claim and you are a member whose membership is  
6 being rejected, you need to file a proof of claim on or before November 4, 2022 in order to be  
7 entitled to vote on the Plan.

8 **Ballots must be delivered by U.S. Mail, personal delivery, overnight mail or  
9 electronically to:**

10 Front Sight Management LLC Ballot Processing  
11 C/O Stretto  
12 410 Exchange, Suite 100  
13 Irvine, CA 92602  
14 <https://balloting.stretto.com/>

15 Dated: October 3, 2022

BG Law LLP

16 By: /s/ Susan K. Seflin  
17 Susan K. Seflin

18 Attorneys for Chapter 11 Debtor in Possession  
19 and Plan Proponent